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Daily Press Guidance

Friday
May 30, 1997

(For internal use only.)

Press Guidance
Friday, May 30, 1997

Domestic

1. Economic Briefing
2. Safe Drinking Water Event
3. Ozone and Particular Matter Air Standards
4. Judicial Nominations
5. Executive Order on Children
6. Bachus Community Development Financial Institutions
7. Welfare Benefits for Drug offenders
8. FEMA/ Texas
9. Megan's Law
10. Nomination for Civil Rights Division of Justice
11. Sidwell Friends Graduation

Foreign

1. NATO Enlargement
2. Sierra Leone
3. DROC (Congo)
4. Russia - Iran
5. Russia/ NIS
6. Iran
7. Switzerland
8. Korea
9. Indonesia
10. Flinn Case
11. UN
12. China
13. El Salvador
14. Turkey/Iraq
15. Israel/ Jordan
16. War Crimes
17. CIA
18. QDR
19. Middle East
20. Saudi Arabia
21. Fast Track
22. OECD
23. Trips and Visitors
24. Burma
25. Bosnia
26. Northern Ireland
27. Gulf War Illness
28. Denver Summit

**More Evidence That The Economy Continues
To Grow Steady And Strong Under President Clinton**
May 30, 1997

TODAY'S REVISED GDP DATA SHOW THAT THE AMERICAN ECONOMY CONTINUES TO ENJOY ROBUST GROWTH AND MODERATE INFLATION. IN THE FIRST QUARTER, THE ECONOMY GREW BY 5.8 PERCENT AT AN ANNUAL RATE -- THE FASTEST IN A DECADE. REAL INCOMES ARE RISING. AND INFLATION REMAINS MODERATE.

- **Growth was 5.8 percent on an annualized basis.** Investment in business equipment rose 13.4 percent, and exports rose 11.2 percent.
- **Private-sector growth continues to be stronger than either of the previous two Administrations.** In the first quarter, the private sector grew by 7.1 percent at an annual rate. Under Clinton, the private sector has grown by 3.5 percent per year, compared to 3.0 percent under Reagan and 1.3 percent under Bush.
- **Inflation remains low.** Inflation as measured by the GDP price index was 2.2 percent in the first quarter. Consumer price inflation -- 2.8 percent per year -- is the lowest for any administration since John F. Kennedy was President.
- **First investment-led expansion in three decades.** Under President Clinton, business investment has increased at a 10.5 percent annual rate -- stronger than any Administration since JFK.
- **Once again the Administrations forecasts seem conservative.** In this year's budget, we projected growth for 1997 to be 2.2 percent -- and even if there is no growth for the rest of the year, we have already exceeded that.

WE HAVE 12.1 MILLION NEW JOBS. THE UNEMPLOYMENT RATE IS THE LOWEST IN 24 YEARS. THE ECONOMY CONTINUES TO EXPERIENCE STRONG GROWTH, RAPID INVESTMENT, AND LOW INFLATION.

EXPERTS AGREE THAT THE AMERICAN ECONOMY IS STRONG:

- *Fortune*, 6/9/97: "Business is booming, inflation is falling, jobs are plentiful, and American industry is way out in front. The U.S. economy is stronger than it's ever been before."

- **Allen Sinai, one of America's top economic forecasters, 4/30/97:** "Job growth is good. Real income is rising. Sentiment is high. Unemployment is the lowest in years. Times are good for American consumers."
- **Mickey Levy, chief economist, NationsBank, 2/1/97:** "It's really the best of all worlds. Growth at a healthy pace, but with the economy not overheating and continued very favorable news on inflation."
- **Paul Volcker, former Chairman of the Federal Reserve, 8/3/96:** "It's been a remarkable period of steady growth, low inflation and low unemployment."

PRESIDENT CLINTON'S ECONOMIC REPORT CARD:

MAY 30, 1997

Clinton Administration

Best Since

Related Facts

✓ Unemployment and Inflation	Combined rate: 8.7 percent	Lowest average since Johnson	Unemployment fell from 7.5 percent in 1992 to 4.9 percent in April 1997 -- the lowest in 24 years -- and has remained under 6 percent for 32 months.
✓ Inflation	2.8 percent per year	Lowest average since Kennedy	Underlying inflation -- excluding volatile food and energy components -- was lowest since the Kennedy Administration.
✓ Employment	12.1 million new jobs	Only Administration to exceed 11 million	93 percent of the net new jobs were in the private sector. Over two-thirds of recent employment growth has been in industry/occupation groups paying above-median wages.
✓ Construction Jobs	1.1 million new jobs	Fastest growth since Truman	Real construction output has grown 5.7 percent per year -- the fastest rate since the Kennedy Administration.
✓ Consumer Sentiment	Increased 14 percent from January 1993 to April 1997	Highest average since Eisenhower	University of Michigan sentiment index reached its highest level in 30 years. Conference Board measure reached its highest level in 28 years.
✓ Deficit Reduction	From 4.7 percent of GDP in 1992 to 1.4 in 1996. Expected to be under 1 percent in 1997	Largest fall since Truman	Deficit narrowed for four years in a row under one President for the first time since before the Civil War.
✓ Business Investment	Grew 10.5 percent per year	Fastest growth since Kennedy	Business investment averaged 7.7 percent of GDP -- the highest share for any Administration since World War II.
✓ Homeownership	Rose from 63.7 to 65.4 percent of households	Largest increase on record	Reached its highest level in 15 years.
✓ Stock Market	The Dow Jones rose from 3242 on 1/20/93 to 6844 on 1/20/97	Fastest growth since World War II	The real growth rate was higher than for any Administration since World War II.
✓ Poverty Rate	Declined from 15.1 in 1993 to 13.8 in 1995	Largest drop since Johnson	Real income for the bottom 20 percent of households has grown 6.8 percent between 1993 and 1995 -- after declining by 7.7 percent between 1979 and 1993.
✓ Median Family Income	Up \$1,600 between 1993 and 1995	Fastest growth since Johnson	Real net worth per household grew 3.2 percent per year after falling over the previous 4 years.

THEN AND NOW: WHAT A DIFFERENCE 5 YEARS MAKES

May 30, 1997

Deficit Cut By 77%

- 1992. The deficit was \$290 billion -- the highest dollar level in history. As a share of the economy (4.7% of GDP), it was much larger than in Japan (1.7%) or Germany (1.3%). [Source: International Monetary Fund]
- Today. The deficit is expected to fall to \$67 billion this year -- down 77% from 1992. As a share of GDP, it is smaller than in Japan or Germany. [Source: International Monetary Fund]

Unemployment Below 6% For 32 Months

- 1992. The unemployment rate averaged 7.5%. [Source: Bureau of Labor Statistics]
- Today. The unemployment rate is at 4.9% -- the lowest in 24 years. [Source: Bureau of Labor Statistics]

Jobs Are Up: More than 12 Million Created Since January 1993

- 1992. The private-sector was barely even creating jobs and had suffered from one of the worst 4-year periods of job growth in history. [Source: Based on data from the Bureau of Labor Statistics]
- Today. The economy has created 12.1 million new jobs since January 1993 -- a faster annual growth rate than any Republican Administration since the 1920s. The economy has added over 4 times as many private-sector jobs per year than the previous Administration. [Source: Based on data from the Bureau of Labor Statistics]

Private-Sector Growth Is Up: 3.5% Per Year

- 1981-1992. The private sector of the economy grew 2.4% annually from 1981-1992.
- Today. The private sector of the economy has grown 3.5% annually -- a stronger record of private-sector growth than under Bush or Reagan. [Source: Based on data from the Department of Commerce, Bureau of Economic Analysis]

Investment Is Booming: Fastest Since Kennedy

- 1992. Real equipment investment rose just 2.0% annually during the previous Administration.
- Today. Real equipment investment is up 10.5% per year -- faster than any Administration since Kennedy. [Source: Based on data from the Department of Commerce, Bureau of Economic Analysis]

Jobs In Basic Industries Are Back Up

- 1992. The economy lost more than two million jobs in manufacturing and construction combined during the previous Administration. [Source: Based on data from the Bureau of Labor Statistics]
- Today. The economy has added 1,054,000 new jobs in construction and 193,000 new jobs in manufacturing since the beginning of 1993. [Source: Based on data from the Bureau of Labor Statistics]

The Auto Sector is Back on Its Feet

- 1992: Trailed Japan for 13th Year In A Row. In 1992 Japan produced 28 percent more automobiles than America -- trailing for the 13th year in a row.
- Today. In 1994, the U.S. surpassed Japan for the first time since 1979. We maintained the lead in 1995 and 1996. [Source: Based on global production data from the American Automobile Manufacturers Association]

Paul Volcker, former Federal Reserve Chairman: "*The deficit has come down, and I give the Clinton Administration and President Clinton himself a lot of credit for that... What's important is that he acknowledged that it was a big problem and did something about it, fast. And I think we are seeing some benefits.*" [Audacity, Fall 1994]

Alan Greenspan, current Fed Chairman: The deficit reduction in President Clinton's 1993 Economic Plan was "*an unquestioned factor in contributing to the improvement in economic activity that occurred thereafter.*" [2/20/96]

Business Week, "Clinton's 1993 budget cuts, which reduced projected red ink by more than \$400 billion over five years, sparked a major drop in interest rates that helped boost investment in all the equipment and systems that brought forth the New Age economy of technological innovation and rising productivity." [5/19/97]

THEN

"Jobless Rate Jumps
to 7.8%, Raising

Doubts on Recovery"

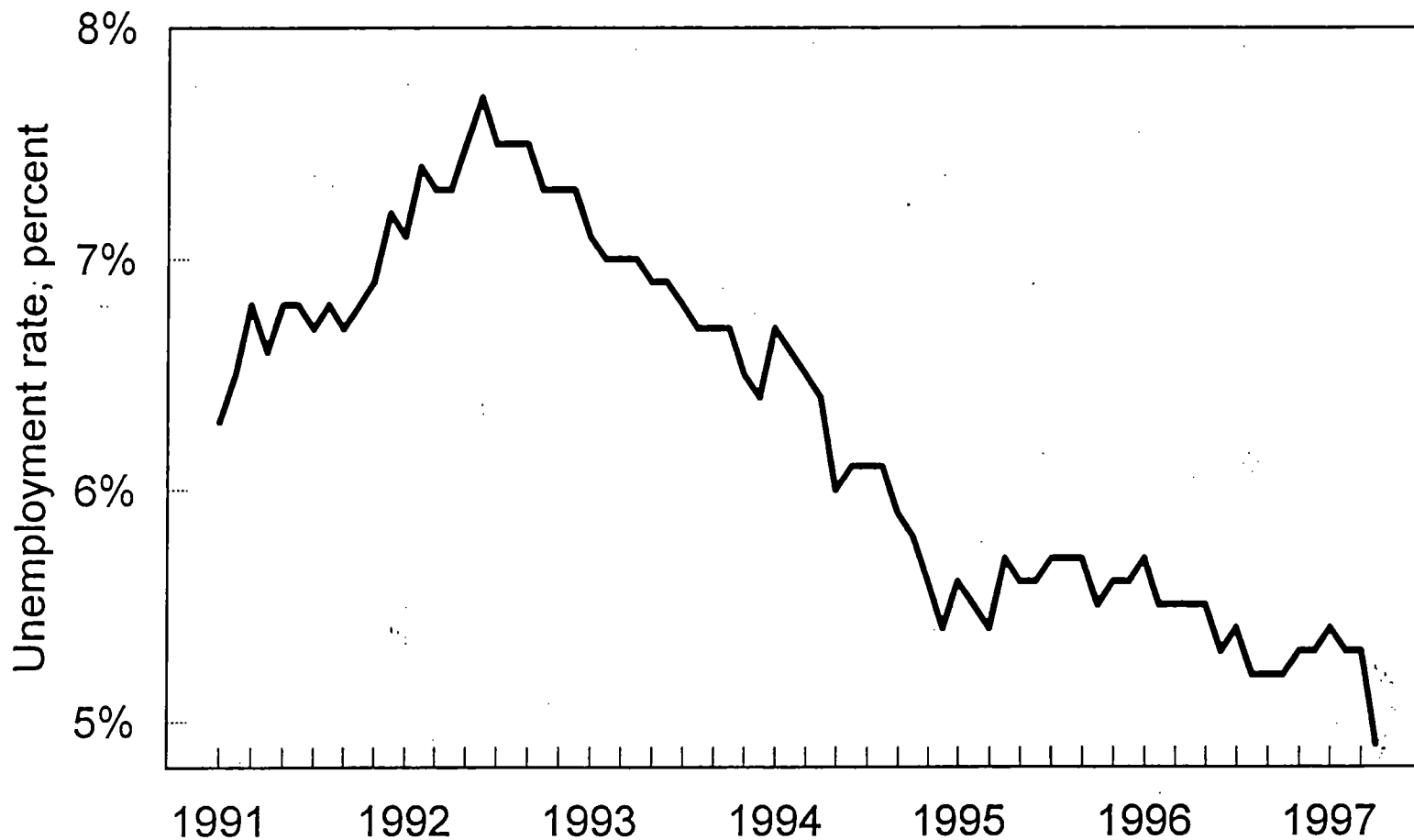
(New York Times, 7/3/92)

NOW

"U.S. Jobless Rate

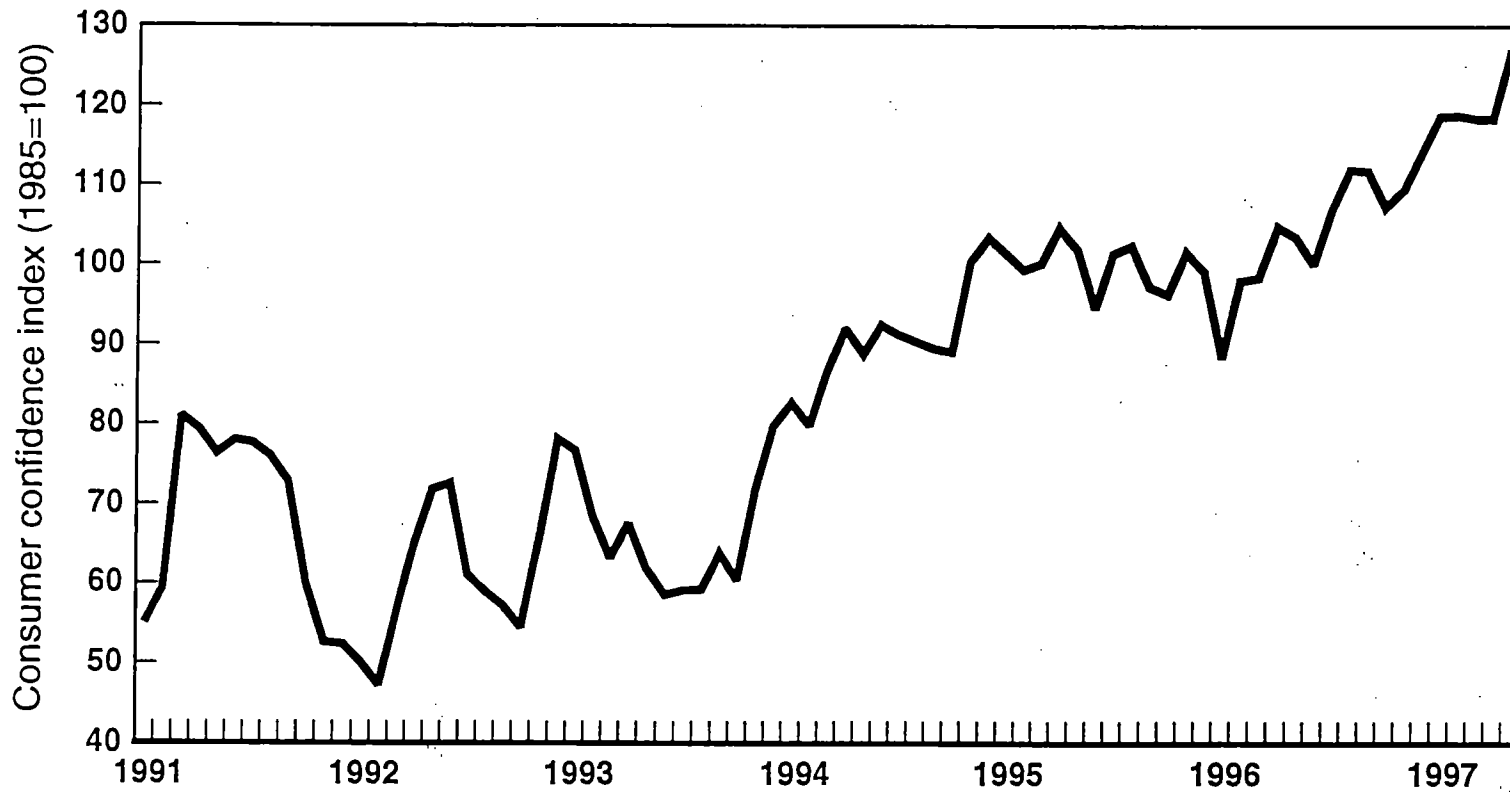
Hits 23-Year Low"

(New York Times, 5/3/97)



THEN
**“Consumer Confidence
Crumbles”**
(USA Today, 11/27/91)

NOW
**“Consumer Confidence At
28-Year High”**
(USA Today, 5/28/97)



THEN

"Bleak Job Report
Shows Employers

Slashed Payrolls"

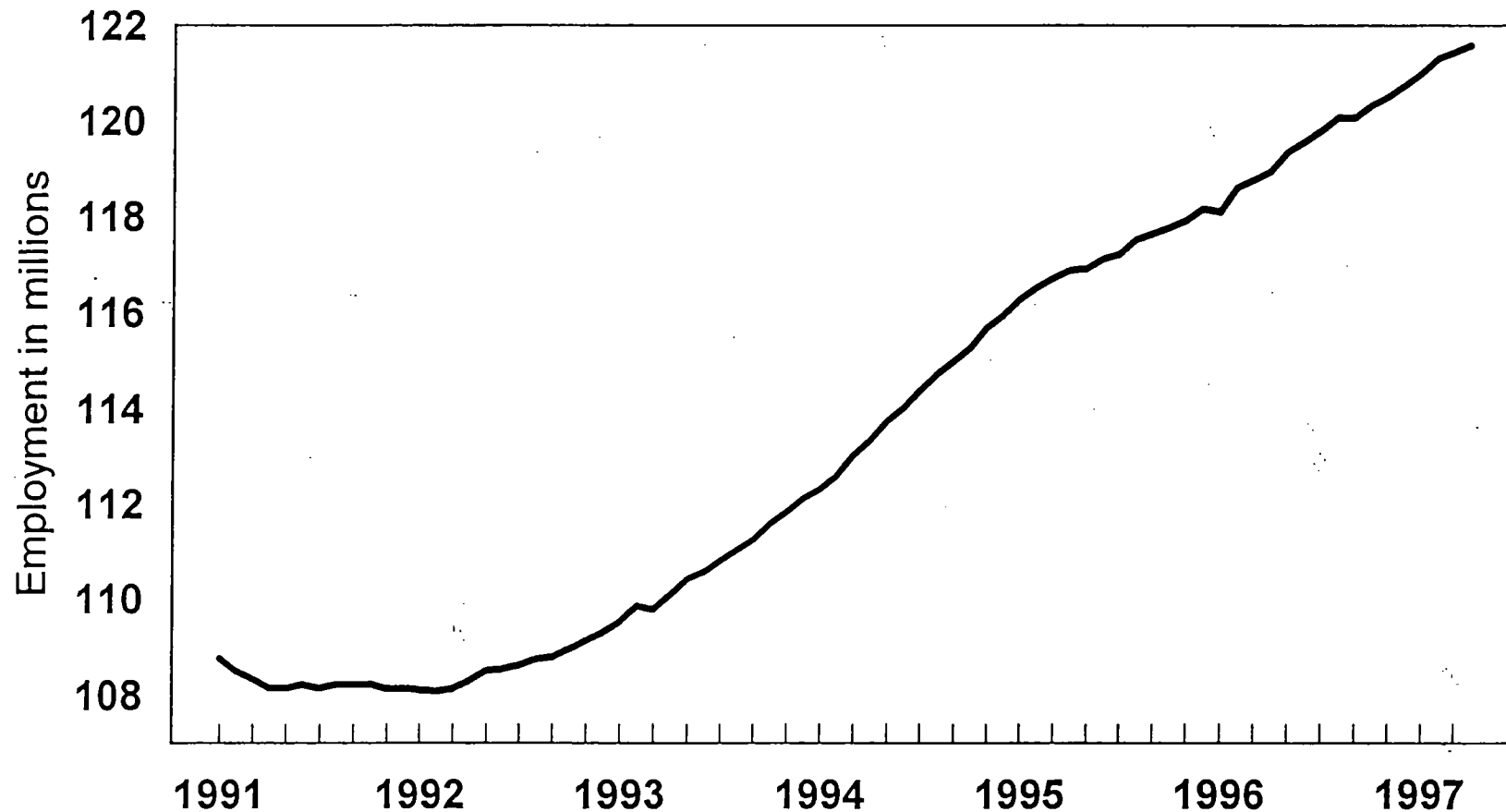
(New York Times, 3/1/91)

NOW

"U.S. Reports Solid Jobs
Market, Pointing to a

Stronger Economy"

(New York Times, 4/3/97)



THEN

"Budget Deficit
Hits a Record

\$290.2 Billion"

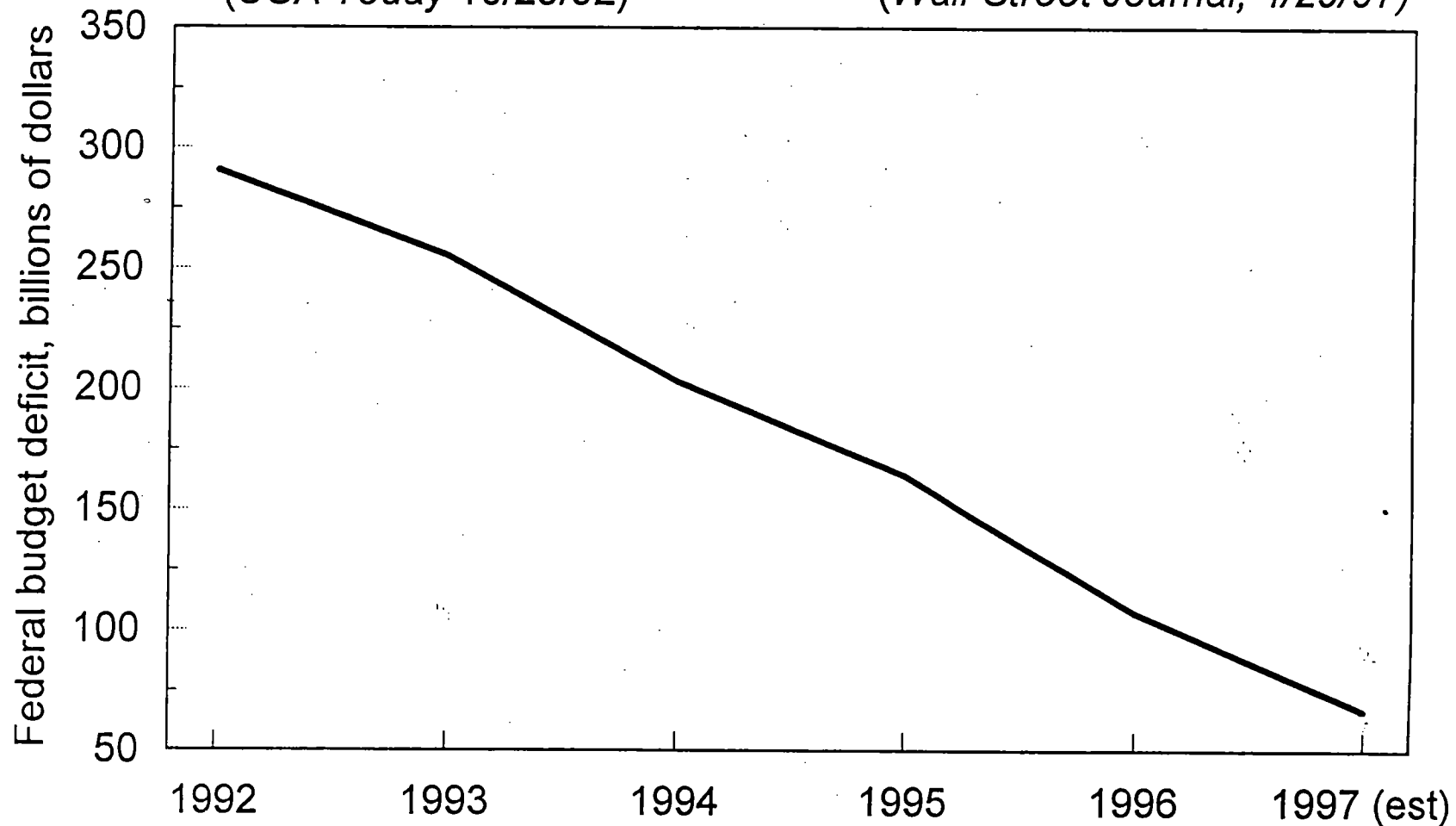
(USA Today 10/29/92)

NOW

"U.S. To Pay Down \$65
Billion of Debt, Cutting

Deficit to 16-Year Low"

(Wall Street Journal, 4/29/97)



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	New Job Growth	Private-Sector GDP Growth	Construction Job Growth	Consumer Sentiment	Deficit	Business Investment	Mortgage Rates
	(Thousands per year)	(Percent)	(Thousands per year)	(Average, percent)	(Change in percent of GDP)	(Growth, percent)	(Average, percent)
Clinton	2836	3.5	248	91.0	-3.3	10.5	7.9
Bush	633	1.3	-167	82.1	1.6	2.0	9.5
Reagan II	2686	3.5	158	93.1	-1.8	3.0	10.7
Reagan I	1312	2.6	71	81.4	2.2	5.2	14.9
Carter	2622	3.6	181	74.0	-1.6	6.2	11.0
Nixon-Ford	1261	2.1	-98	74.6	2.3	2.9	8.8
Nixon	1551	5.1	112	84.0	-0.9	6.4	7.5
Johnson	2469	4.4	79	96.1	2.0	8.0	
JFK-LBJ	1466	6.7	85	96.3	1.0	12.6	
Eisenhower II	182		-35	90.8	0.8		
Eisenhower I	691		70	91.8	-1.3		
Truman II	1355		107		5.1		

Source:

Based on data from the
Bureau of Labor Statistics,
Department of Labor.

Based on data from the
Bureau of Economic
Analysis, Department of
Commerce.

Based on data from the
Bureau of Labor
Statistics, Department of
Labor.

Based on data from the
University of Michigan
Survey.

Based on data from the
Congressional Budget
Office.

Based on data from the
Bureau of Economic
Analysis, Department of
Commerce.

Based on data from the
Board of Governors of the
Federal Reserve System.

	Homeownership	Dow Jones	Combined Unemployment and Inflation	Inflation	College Enrollment Rate	Median Family Income
	(Change in rate)	(Real annual growth, percent)	(Average, percent)	(Average, percent)	(Average, percent)	(Real annual growth, percent)
Clinton	1.7	16.4	8.7	2.8	62.1	2.1
Bush	-0.2	5.7	10.5	4.2	60.9	-1.9
Reagan II	-0.2	12.0	9.9	3.5	56.8	1.7
Reagan I	-1.5	1.5	13.5	4.9	53.1	0.9
Carter	0.8	-9.6	16.9	10.4	49.8	-0.5
Nixon-Ford	-0.1	-8.9	15.0	8.3	48.4	-0.2
Nixon	0.8	-2.1	9.6	4.6	51.9	1.6
Johnson	1.2	-2.0	7.2	3.3	52.1	4.2
JFK-LBJ		7.6	7.0	1.2	47.6	3.6
Eisenhower II		4.9	7.4	1.8	45.1	2.0
Eisenhower I		12.8	5.3	1.0		2.7
Truman II		9.7	7.0	2.6		5.1

Source:

Based on data from the
Bureau of the Census,
Department of Commerce.

Department of Treasury
analysis.

Based on data from the
Bureau of Labor
Statistics, Department of
Labor.

Based on data from the
Bureau of Labor
Statistics, Department
of Labor.

Based on data from the
National Center for
Education Statistics,
Department of Education.

Based on data from the
Bureau of the Census,
Department of
Commerce.

THE WHITE HOUSE
Office of the Vice President

FRIDAY, May 30, 1997
FOR IMMEDIATE RELEASE

Contact: (202) 456-7035

**VICE PRESIDENT RELEASES STATE-BY-STATE
SAFE DRINKING WATER ALLOCATION FIGURES**

WASHINGTON -- Vice President Gore today (5/30) announced what the President's proposed \$725 million Safe Drinking Water Revolving Loan Fund for fiscal 1998 would mean for every state in the country.

The Vice President released state-by-state allocations figures under the President's proposal at a White House ceremony. The President's proposed Safe Drinking Water Revolving Loan Fund will help communities upgrade deteriorating drinking water systems and provide safer drinking water for all Americans.

The Vice President also applauded the recent balanced budget agreement for its environmental protections. This agreement provides sufficient funding for the President's environmental priorities.

"We can protect the public health by giving local communities the resources they need to rebuild their drinking water systems," said the Vice President. "Our proposed budget gives every state in the country at least \$7 million to upgrade their drinking water infrastructures. It's a small investment that will pay enormous dividends."

The Administration called for key reforms in the Safe Drinking Water Act in September 1993. Congress responded and, last year, the President signed the Safe Drinking Water Act Amendments of 1996 to strengthen protections and provide resources to help communities provide clean drinking water. This new law included a first-ever Safe Drinking Water Revolving Loan Fund to provide communities across the country with the resources to upgrade systems and improve the quality of their drinking water.

The law authorizes up to \$9.6 billion that would go to states for such upgrades through the year 2003. President Clinton has proposed \$3 billion for this purpose in his budget requests since fiscal 1994, including the \$725 million in his 1998 budget. Today's announcement demonstrates the Administration's continued commitment to ensure that American families have safe, clean drinking water.

"I call on Congress to pass our balanced budget plan when members return from their recess -- and to provide adequate funding for the Safe Drinking Water Revolving Loan Fund," said the Vice President. "America's families are depending on it."

##

STATE-BY-STATE BREAKDOWN OF SAFE DRINKING WATER GRANTS

Following is a list of the funds that each state would receive under the President's FY1998 budget proposal:

ALABAMA	\$ 8,465,600	NEVADA	\$ 7,121,300
ALASKA	\$ 7,121,300	NEW HAMPSHIRE	\$ 7,121,300
ARIZONA	\$ 7,257,400	NEW JERSEY	\$17,347,900
ARKANSAS	\$10,132,200	NEW MEXICO	\$ 7,121,300
CALIFORNIA	\$77,108,200	NEW YORK	\$45,061,600
COLORADO	\$ 9,581,800	NORTH CAROLINA	\$12,859,400
CONNECTICUT	\$ 7,121,300	NORTH DAKOTA	\$ 7,121,300
DELAWARE	\$ 7,121,300	OHIO	\$22,806,200
FLORIDA	\$20,642,800	OKLAHOMA	\$10,224,200
GEORGIA	\$15,253,300	OREGON	\$10,567,800
HAWAII	\$ 7,121,300	PENNSYLVANIA	\$22,404,800
IDAHO	\$ 7,121,300	PUERTO RICO	\$10,225,000
ILLINOIS	\$24,753,200	RHODE ISLAND	\$ 7,121,300
INDIANA	\$ 8,687,500	SOUTH CAROLINA	\$ 7,669,400
IOWA	\$11,238,700	SOUTH DAKOTA	\$ 7,121,300
KANSAS	\$10,008,100	TENNESSEE	\$ 9,557,400
KENTUCKY	\$10,851,600	TEXAS	\$54,014,400
LOUISIANA	\$ 9,949,200	UTAH	\$ 7,121,300
MAINE	\$ 7,121,300	VERMONT	\$ 7,121,300
MARYLAND	\$ 7,121,300	VIRGINIA	\$13,895,300
MASSACHUSETTS	\$27,414,400	WASHINGTON	\$19,169,100
MICHIGAN	\$20,951,400	WEST VIRGINIA	\$ 7,121,300
MINNESOTA	\$11,856,100	WISCONSIN	\$ 9,548,400
MISSISSIPPI	\$ 8,271,700	WYOMING	\$ 7,121,300
MISSOURI	\$ 9,574,900	D.C.	\$ 7,121,300
MONTANA	\$ 7,121,300	OTHER AREAS*	\$ 2,350,000
NEBRASKA	\$ 7,121,300		

*Virgin Islands, American Samoa, Guam & Northern Mariana

###

BALANCED BUDGET AGREEMENT PROTECTS PUBLIC HEALTH & THE ENVIRONMENT

May 30, 1997

President Clinton and Vice President Gore reached an agreement with congressional leaders to balance the budget for the first time in a generation while protecting critical investments like environmental protection, education and health care.

The budget function that includes most environment and natural resource programs, Function 300, is protected at the level in the President's Fiscal Year 1998 budget request for the next five years. In addition, the agreement specifically protects the following priority programs:

- **EPA Enforcement and Public Health Safeguards.** The agreement provides for the President's request for the EPA operating program, a 9 percent increase to \$3.4 billion in 1998. This account funds:
 - **Better EPA enforcement** against those who violate our environmental and public health laws. The President's budget provides for \$540 million in additional enforcement for 1998, with \$1 million in training for state and local law enforcement personnel.
 - **Safer food and drinking water.** Within the balanced budget agreement to increase EPA's operating budget, the President's priorities include a \$16 million increase to \$35 million in 1998 to reduce risks to children from pesticides on foods and a \$20 million increase to \$48 million in 1998 for safe drinking water safeguards.
 - **Expanded community right-to-know** programs to provide people with better information about toxic threats to their families.
- **Toxic Waste Cleanups.** The agreement sets aside the money for the President's request for the Superfund program, which proposes to clean up 500 additional sites by the end of the year 2000 -- a 50 percent increase to \$2.1 billion for 1998 and 1999. The agreement notes that there remain policy differences that must be worked out before the increased funds are available.
 - The agreement also provides for \$1 billion in new mandatory spending over five years for a new "Environmental Reserve Fund" for "**orphan shares**" at **Superfund sites** -- where parties have little or no ability to pay for cleanup, to be available when Superfund is reauthorized.

- MORE -

- The Clinton Administration cleaned up 274 sites in its first term -- compared to only 155 cleaned up by previous administrations in 12 years -- but 10 million children under the age of 12 still live within four miles of a toxic waste dump.
 - **National Parks.** The Clinton-Gore Administration has made national parks a national priority again, and the agreement provides for the President's request for National Park Service operations. This is a 6 percent increase to \$1.2 billion for 1998 and a 17 percent increase from the year President Clinton took office.
 - **Everglades.** The agreement provides sufficient funding for the President's request for Everglades restoration, a 135 percent increase to almost \$300 million for 1998. The agreement specifically protects the largest portions of the Everglades restoration program at the National Park Service and the Army Corps of Engineers, for a total of \$238 million in 1998. This increase will implement the President's Everglades program signed into law last year -- the most ambitious environmental restoration ever.
 - **Brownfields Cleanup and Redevelopment.** Republican leaders will seek to include in the tax legislation the President's legislative proposal for brownfields, which includes a \$2 billion brownfields tax incentive, to help communities clean up and redevelop contaminated areas -- protecting public health and creating jobs. This tax incentive is expected to leverage \$10 billion in private sector investment and help revitalize some 30,000 brownfields sites.
- The agreement also boosts funding by \$50 million in 1998 to provide communities with seed money for the cleanup and redevelopment of brownfields. (This money is included in the Superfund account.)
- **Land Acquisition.** The agreement provides for an additional \$700 million from the Land and Water Conservation Fund for priority federal land acquisitions and exchanges. The earliest spending from this, in 1998 and 1999, is targeted "to finalize priority federal land exchanges." The President's priority land exchanges include:
 - **Yellowstone.** Up to \$65 million for the federal share of the President's proposal to protect Yellowstone from a massive mine three miles from the park.
 - **Headwaters.** Up to \$250 million for the federal share of a state-federal proposal to acquire the Headwaters grove in Northern California, the largest privately held ancient redwood forest in America.

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- The Clinton Administration cleaned up 274 sites in its first term -- compared to

only 155 cleaned up by previous administrations in 12 years -- but 10 million children under the age of 12 still live within four miles of a toxic waste dump.

- **National Parks.** The Clinton-Gore Administration has made national parks a national priority again, and the agreement provides for the President's request for National Park Service operations. This is a 6 percent increase to \$1.2 billion for 1998 and a 17 percent increase from the year President Clinton took office.
- **Everglades.** The agreement provides sufficient funding for the President's request for Everglades restoration, a 135 percent increase to almost \$300 million for 1998. The agreement specifically protects the largest portions of the Everglades restoration program at the National Park Service and the Army Corps of Engineers, for a total of \$238 million in 1998. This increase will implement the President's Everglades program signed into law last year -- the most ambitious environmental restoration ever.
- **Brownfields Cleanup and Redevelopment.** Republican leaders will seek to include in the tax legislation the President's legislative proposal for brownfields, which includes a \$2 billion brownfields tax incentive, to help communities clean up and redevelop contaminated areas -- protecting public health and creating jobs. This tax incentive is expected to leverage \$10 billion in private sector investment and help revitalize some 30,000 brownfields sites.

The agreement also boosts funding by \$50 million in 1998 to provide communities with seed money for the cleanup and redevelopment of brownfields. (This money is included in the Superfund account.)

- **Land Acquisition.** The agreement provides for an additional \$700 million from the Land and Water Conservation Fund for priority federal land acquisitions and exchanges. The earliest spending from this, in 1998 and 1999, is targeted "to finalize priority federal land exchanges." The President's priority land exchanges include:
 - **Yellowstone.** Up to \$65 million for the federal share of the President's proposal to protect Yellowstone from a massive mine three miles from the park.
 - **Headwaters.** Up to \$250 million for the federal share of a state-federal proposal to acquire the Headwaters grove in Northern California, the largest privately held ancient redwood forest in America.

##

Talking Points

Ozone and Particulate Matter Air Standards

May 30, 1997

- EPA's final ozone and particulate matter (PM) air standards have not yet arrived at OMB.
 - EPA intends to keep the two standards tied together as part of one package that will be submitted to OMB for final review.
- There is a July 19 court-ordered deadline for the final rule on the PM standards.
 - Given that deadline, OMB will have less than the 90 days it is allowed to take to review regulations under President Clinton's Executive Order 12866, which sets the guidelines for the regulatory review process.
- When the final standards arrive at OMB, they will be treated in the same manner as all other items under regulatory review.
 - We will confirm: (1) the date upon which the standards arrived at OMB, and (2) the date upon which OMB completed its review.

Gathering Input From Agencies

- When the proposed standards were at OMB in November 1996, OMB had only 22 days in which to complete its review (due to an earlier court-ordered deadline for the proposed PM standards).
- As a result, some agencies complained they had little background on the standards and did not have enough time to provide input.
- To ensure that all interested agencies had the opportunity to comment on the proposed standards, in late February/early March OMB started an interagency process for gathering agency views.
 - OMB specifically sought the assistance of CEQ (as coordinator of environmental agencies) and NEC (as coordinator of economic agencies) to help ensure that all interested agencies have an opportunity to provide input on the standards.
 - There have been several meetings at the technical, policy and senior policy levels.

-- We will not discuss who has been involved in these meetings and we will not discuss the content of these meetings.

Gathering Input From the Public

- Normally, the Administration doesn't meet with the public until after OMB has received a final rule.
- But, in December, Chief of Staff Leon Panetta asked Sally Katzen to ensure that the Administration makes a concerted effort to reach out to all appropriate parties.
 - Over the past several months, Sally has solicited people to come talk to OMB about the proposed standards.
 - She has met with representatives from State and local government, industry (e.g., mobile services, petroleum, high-tech), and public health organizations.
 - EPA and all of the other agencies are invited to send representatives to these meetings.
 - Lists of attendees are placed in the public docket.

GUIDANCE ON JUDGES
MAY 30, 1997

Today's L.A. Times has a story on a senior Federal judge criticizing the W.H. and Congress over the number of judicial vacancies. We're in the story criticizing Congress for not moving quickly enough. **Be careful, however, about any direct criticism of Hatch.**

- * We have been very disappointed in the pace at which the Senate has been considering our judicial nominees. There's no reason they can't move more quickly, and we hope they will.

NUMBERS

- * There are currently 99 vacancies among the 844 judgeships in the Federal judiciary.
- * (They are 72 District Court vacancies, 26 Circuit Court vacancies, 2 Court of Intl. Trade vacancies, and 1 Federal Claims Court Vacancy.)
- * In this Congress, we have sent up 31 nominees, many of whom are renominations from the last Congress.
- * Only 5 have been confirmed, leaving 26 pending, and hearings have been held on only two nominations.
- * We have several new nominations ready to send up after the Congress returns from its recess next week.
- * We have another dozen or so that we expect to be able to send up by the July 4 recess.
- * That will mean a total of 45-50 they will have there by July 4, including nominees to fill nearly all of the circuit court vacancies.
- * **But again, there's no reason they can't act more quickly on the 26 they have sitting there right now, most of which they've had for quite a while.**

(We have a rigorous vetting process that takes two-three months. This process provides an even stronger argument for the Senate to act immediately on the well-qualified candidates who have already been nominated.)

(President Clinton has nominated more women and minorities to the Federal bench than any President in history. He has nominated more candidates rated Well Qualified by the ABA than any other President in this century.)

TOIV/MELLODY/YAROWSKY

Press Guidance
May 30, 1997

Conservatives, including Gary Bauer, are criticizing the Administration for repealing a Reagan Executive Order which they say was designed to protect families. The President revoked the order when he signed his E.O. to ensure protection for children in the regulatory process.

- We believe the executive order signed by the President earlier this year provides a better way to protect children and families.
- As Jim Miller points out in the Washington Times article, "executive orders are plentiful and need to be updated." The steps outlined in the executive order on children's health replaced language, which many found difficult to translate into regulatory action, with concrete measures to protect children.

Strengthen Policies to Protect Children The E.O. requires all agencies to make the protection of children a high priority in implementing their statutory responsibilities and fulfilling their overall mission.

Improve Research and other Initiatives to Protect Children. The proposed executive order would create an interagency task force to establish a coordinated research agenda, to identify research and other initiatives the Administration will take to advance the protection of children's environmental health and safety, and to enlist public input for these efforts. The Office of Management and Budget is charged with convening an Interagency Forum on Child and Family Statistics, to produce an annual compendium of the most important indicators of the well being of the Nation's children.

Ensure that New Safeguards Consider Special Risks to Children. The executive order would, for the first time, require agencies to analyze and explain the effects of their rules on children. When a major regulation addresses special risks to children, agencies would have to 1) consider disproportionate impacts on children; and 2) explain why their proposed action is preferable to other alternatives. The primary goal of this provision is to link policy decisions to the emerging science regarding children's environmental health and safety. This provision ensures accountability to the public and helps agencies identify their research needs.

Mellody per Brian Johnson

Press Guidance
May 30, 1997

Bacchus/Community Development Financial Institutions

Representative Spencer Bacchus, Chairman of the House Banking Oversight Committee, has questioned whether Treasury officials demonstrated partiality in awarding funds from Treasury's community banking program to institutions associated with the first family. The Chairman has now raised concerns that officials post-created documents to mislead the Congress.

- The Treasury Department is obviously being responsive to the Chairman's concerns. They have sent a letter to the Chairman which is available upon request through the Department.

Are you concerned that Treasury officials may have deceived Congress by creating misleading documents?

Again, the Treasury Department is being responsive to the Chairman's concerns. However, this is a matter which they which they have asked their Inspector General to take a look at and I would have to refer you to Treasury for any additional information.

Did the President, First Lady or the White House influence the any CDFI decision?

The President and First Lady are obviously committed to the idea of microcredit and community development. They have not, however, been involved in the selection process for these awards (nor have their staffs).

FYI - Until 1992, the First Lady was on the board of Southern Development Bancorporation Inc, an institution, which is focal point for Rep. Bacchus' and which benefitted from some of these funds. She no longer reatins a position with them and has no financial ties to the institution.

Mellody per conversation with Schloss and Marsha Berry

Q&A on 5/30 New York Times story on Drug Offenders and Welfare Benefits

Q The New York Times reported today that Connecticut Governor Rowland has decided to allow people convicted of drug felonies to remain eligible for welfare, despite Federal rules allowing states to deny benefits. Do you agree that drug offenders should be receiving benefits? Are these states weakening the welfare law?

A The welfare law was intended to give states a great deal of flexibility in designing their own welfare programs. Connecticut is exercising this flexibility to address local problems and needs as they move people from welfare to work.

Our overall goal for welfare reform has always been to move people from welfare to work. Therefore we support addressing any recipients' substance abuse problems in the context of helping them move into the workforce.

Press Guidance
May 30, 1997

FEMA/ Texas

Governor Bush may request emergency funds from FEMA for damage sustained by recent tornadoes. At this point, it appears unlikely that the state will qualify for a Presidential Disaster Declaration.

- At this point preliminary disaster declaration has been completed.
- Our understanding is that the vast majority of damages are insured. We stand ready to meet any needs that we can consistent with the law. (The law does not allow for duplication of benefits.)
- FEMA is working with the Governor's Office in light of the damage assessment to determine what needs can be met at the federal level. (11:50am -- At this point the Governor has not yet made a request)

For Briefer Only - There are only 28 houses which are not insured in the area. This level of damage would not normally qualify a state for a Presidential Disaster Declaration. There are, however, other options such as SBA loans and other assistance that can still be made available.

Mellody per Morrie Goodman, FEMA

GUIDANCE ON CONVICTION IN MEGAN'S LAW CASE
MAY 30, 1997

- * This has been a horrible tragedy for Megan's family and her community. We hope this helps to put that tragedy to rest. Megan's family took their pain and helped guide the nation to adopt legislation that is going to protect other children from those who would harm them. We owe them not only our sympathy but a debt of gratitude as well.

TOIV

From Rahm/CLEARED WITH RUFF

GUIDANCE ON CIVIL RIGHTS AT JUSTICE

MAY 29, 1997

- * This is obviously a very important position in an area that the President takes very very seriously, and we're working very hard to fill it.
- * The President has not made a decision yet.
- * Given the time it takes to find the right person, and more importantly, for vetting, unfortunately, we're still some ways from a nomination.

(FYI, you shouldn't push too hard, since the guy mentioned by Kamen probably will be the guy. POTUS has not received formal recommendation, but this is close to a done deal, pending vetting. But vetting will take a couple months.)

TOIV

Nash

Sidwell Friends

- * As you are aware, the President will attend Chelsea's graduation at Sidwell Friends next Friday and will speak to the graduates.
- * The Sidwell Friends graduation has traditionally been closed to the press.
- * We are trying to see what arrangements can be made to accomodate your needs given that the President is delivering remarks. We hope to have some resolution soon.
- * We are working and will continue to work with the Correspondents' Association on this matter. (Larry is fine with this.)

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

May 30, 1997

FACT SHEET

Charter on a Distinctive NATO-Ukraine Partnership

On May 29, NATO Secretary General Solana and Ukrainian Foreign Minister Udovenko initialed at a meeting of NATO Foreign Ministers in Sintra, Portugal a "Charter on a Distinctive NATO-Ukraine Partnership." The Charter lays the foundation for the development of a strong, enduring relationship between NATO and Ukraine. It is anticipated that the Charter will be signed in Madrid when President Clinton travels to Europe for the NATO Summit.

President Clinton congratulated NATO and Ukraine for their hard work toward completing the Charter since he met President Kuchma in Washington on May 16. President Clinton noted that the Charter represents a political commitment at the highest level and constitutes an important step toward his goal of a secure and undivided Europe. An independent, prosperous and stable Ukraine is key to building a more integrated and secure Europe.

The Charter provides the framework for an open-ended and evolving NATO-Ukraine relationship through consultation and cooperation on issues of common concern. It contains five sections.

Section I provides the context for an enhanced NATO-Ukraine relationship. NATO and Ukraine affirm their intent to broaden and strengthen their cooperation and to develop a distinctive and effective relationship to promote further stability in Europe.

Section II details the principles on which NATO and Ukraine will base their relationship, including the recognition that the security of all states in the OSCE area is indivisible. It affirms common respect for the sovereignty, territorial integrity and political independence of all other states.

Section III lists areas for consultation and cooperation between NATO and Ukraine. These include political and security-related subjects, including the security of Ukraine, NATO-Ukraine military cooperation and interoperability, civil-military relations, civil emergency planning and support for Ukrainian defense reform.

Section IV outlines the practical arrangements for consultation and cooperation between NATO and Ukraine. These include meetings of the North Atlantic Council and appropriate NATO committees with Ukraine, reciprocal high-level visits and establishment of a Ukrainian military liaison mission in Brussels.

Section IV also provides that the North Atlantic Council will meet periodically with Ukraine as the NATO-Ukraine Commission to assess broadly the implementation of the relationship and suggest ways to further develop cooperation. The Commission will meet at least twice annually.

Section V welcomes and supports the fact that Ukraine received, as a non-nuclear weapon state, security assurances from the five nuclear powers when it acceded to the Nuclear Non-Proliferation Treaty. It underscores that NATO and Ukraine will cooperate on adaptation of the Conventional Armed Forces in Europe Treaty to reflect the changed security environment since the Treaty was signed in 1990. They will also cooperate in developing a crisis consultative mechanism.

The Charter does not provide any new NATO security guarantees to Ukraine, which under the terms of the Washington Treaty are available only to NATO members. The Charter allows the development of a crisis consultative mechanism and provides for consultation should Ukraine perceive a direct threat to its territorial integrity. The Charter does not restrict NATO's ability to act unilaterally.

###

MADRID SUMMIT/NATO ENLARGEMENT

Q: Can you comment on press reports from the Sintra NATO Foreign Ministers meeting that the U.S. believes that only 3 aspiring members -- Poland, the Czech Republic, and Hungary -- should be invited to join the Alliance at the Madrid Summit?

A: At Sintra, NATO foreign ministers held a preliminary exchange of views on the considerations that should guide the Alliance toward its decision at Madrid on whom to invite to begin accession talks.

No decision has been made on the number of new entrants we would support, but most important is that all new members be able to assume the full responsibilities of membership.

We will be reviewing the matter and consulting closely with our NATO allies.

(If pressed: This was the first NATO discussion of the issue of "who." Allies expressed a range of preliminary views, as is normal and healthy. The Alliance will develop a consensus before Madrid.

Why NATO Enlargement is in America's National Interest

At its Madrid Summit on July 8-9, NATO will invite additional states to join the North Atlantic Alliance. Here are reasons why NATO enlargement serves America's national security interests:

- 1. Enlargement will make NATO stronger and better able to address the new security challenges of the 21st century.**
- **Europe remains a vital American interest.** The security of Europe has been and remains a vital US national interest. We fought two world wars and the Cold War in part to protect the security of Europe and the transatlantic area. It is prudent to US interests to strengthen NATO's ability to address Europe's future security challenges and reduce the possibility of another conflict.
- **Stronger collective defense.** NATO's core mission remains the collective defense of NATO territory. The addition of new members, with significant military capabilities and a commitment to improve these capabilities over time, will increase NATO's ability to fulfill its basic mission.

SIERRA LEONE: MILITARY COUP UPDATE

For Use on May 29 Once NEO in Sierra Leone is Underway

- In response to the military coup in Sierra Leone, the uncertain security situation there, and the limited availability of commercial transport out of Freetown, the President has authorized a non-combatant evacuation operation (NEO).
- The USS Kearsarge arrived off the coast of Sierra Leone on May 29 as part of Operation Noble Obelisk to prepare to conduct the NEO. An advance group landed in Freetown this morning to begin preparations for the NEO.
- The Kearsarge is deployed solely to protect U.S. citizens. U.S. forces will conduct a NEO but will not intervene militarily in Sierra Leone.
- Up to 400 U.S. citizens reside in Sierra Leone. We expect about 250 U.S. citizens to seek evacuation. Seventeen official Americans will also depart, leaving only essential staff at the U.S. Embassy in Freetown.
- Current plans are for evacuees to be transported to the USS Kearsarge by helicopter. They will then be taken to Conakry, Guinea over the weekend. Commercial or charter air arrangements can be made from Conakry.
- (IF ASKED ONLY) Under these difficult and in extremis circumstances, the U.S. Chief of Mission has the authority to accommodate third country nationals who can reach designated landing zones on a space available basis.
- Some countries, including Lebanon and the UK, have made separate evacuation arrangements using commercial air charter. We are encouraging other countries to make similar evacuation arrangements.

DEMOCRATIC REPUBLIC OF THE CONGO (EX-ZAIRE)

Q: Have the dates been set for Amb. Richardson's travel?

A: We hope the interagency team led by Ambassador Richardson will travel late next week.

We are still waiting for confirmation of the dates from the Government of the Democratic Republic of the Congo.

Q: What are your objectives for the DROC during the transition leading to elections?

A: We hope the DROC will establish a broad based transitional authority which prepares the country for elections, enhances effective governance, strengthens democratic institutions and deals quickly and responsibly with human rights issues.

We would also like to see the emergence of a market-oriented economy, driven by private sector growth.

Q: To what extent do we expect the U.S. to assist?

A: We hope to be helpful. It will depend on the policies pursued by the Government of the DROC.

It is too early to be specific.

- **Greater ability to address new security challenges.** NATO also is addressing Europe's new security threats, from weapons proliferation to ethnic conflict to terrorism. Enlargement increases the number of states willing to share these responsibilities. Central European countries that want to join NATO have already contributed troops and bases to NATO's efforts in Bosnia and have stated their intention to do their part in NATO's security mission in the future. Combined with the Partnership for Peace and NATO's new constructive partnership with Russia, a larger Alliance will be better able to address the new security challenges of the 21st century.
 - **Past enlargements made NATO stronger.** NATO has enlarged three times before -- adding Greece and Turkey in 1952, West Germany in 1955 and Spain in 1982. Each time, the Alliance benefited from the addition of states committed to the security of the transatlantic area and prepared to contribute to it. Current efforts to enlarge the Alliance will have the same result.
2. Enlargement will increase Europe's stability and help prevent future conflicts.
- **NATO enlargement is helping to resolve potentially dangerous conflicts.** In the past, NATO helped reconcile former adversaries like France and Germany; helped Italy, Germany and Spain reintegrate into the democratic community; and helped moderate tensions between Greece and Turkey. Today, the prospect of NATO's enlargement has made Europe safer by encouraging the new democracies to improve their ties. Many countries have already reached agreements on border and ethnic issues that otherwise might have become sources of tension (Hungary-Romania, Poland-Lithuania, Poland-Ukraine, Slovenia-Italy, the Czech Republic-Germany).
 - **Eliminates gray zone of insecurity.** NATO enlargement will help prevent emergence of a gray zone of insecurity in a region where past insecurity has helped generate the century's worst conflicts. While not all interested European states will be invited at Madrid to join the Alliance, NATO will keep the door open for future members; the first to join shall not be the last. Enlargement will yield security benefits beyond NATO's own borders, and support for NATO enlargement is very broad. Ukraine, for example, which has not expressed interest in NATO membership for itself, nonetheless supports NATO membership for Poland and other Central European democracies. By contrast, a decision *not* to enlarge NATO would suggest a permanent acceptance of the Cold War dividing line.
 - **Insecurity is more expensive.** NATO membership involves solemn security commitments and financial obligations; like all the other elements of American security, it is not cost-free. But history shows that the cost of inaction is much higher. The Pentagon estimates that NATO enlargement will cost the U.S. \$150-200 million per year over the next decade. But when the U.S. failed to address Europe's security challenges after World War I, we paid a terrible price in blood and treasure.

3. Enlargement will help create an undivided, democratic and peaceful Europe.

- **Part of a broader effort to build a new Europe.** As President Clinton has stated since 1994, we have an opportunity, for the first time in history, to build an undivided, democratic and secure Europe. Such a Europe would serve our interests -- it would be a stronger and better partner in trade, investment, diplomacy and other aspects of security. While other institutions play a role in this efforts -- including the European Union, OSCE, and others -- NATO remains the keystone of America's involvement in transatlantic security. NATO can build on half a century of success and now do for all of Europe what it has done for Western Europe
- **An enlarging NATO is forging a more constructive relationship with Russia.** During the Cold War, NATO and Russia were nuclear adversaries. The new NATO, as it prepares to add new members, has also laid the foundation for constructive partnership with a new, democratizing Russia. An important part of that new relationship is the NATO-Russia Founding Act. That document creates a new Joint Council for NATO-Russia consultations, coordination and, when possible, joint action.
- **Bolsters progress toward strong democracies and free markets.** The very prospect of NATO membership has encouraged Central European states to continue and deepen their democratic and market reforms. Already, states in the region have strengthened civilian control of their militaries, improved relations with ethnic and religious minorities and accelerated economic privatization -- in part to improve their prospects for membership in and cooperation with NATO.
- **Improves and protects the business climate for American firms and workers.** Our economic ties with Europe are among the most significant in the world and Europe's fastest-growing economies are in Central Europe. Growing European markets will yield benefits for American exporters and export-industry workers. The stabilizing effect of NATO enlargement and its encouragement of free market reforms will help create a better long-term environment for trade, investment and economic growth in Central Europe. The resulting prosperity will benefit the United States, as did Western Europe's American-assisted recovery after WWII.
- **American leadership.** NATO enlargement constitutes a tangible expression of America's commitment to remain engaged in Europe and to exert our leadership in efforts to build a safer and more prosperous transatlantic area for the 21st century.

NATO-RUSSIA FOUNDING ACT

NATO-Russia Founding Act

- From beginning of this Administration, President Clinton set as a key foreign policy goal achievement of peaceful, stable, undivided and democratic Europe.
- In March in Helsinki, Presidents Clinton and Yeltsin discussed future of European security. Agreed on importance of building cooperative relationship between NATO and Russia.
- Act provides the basis for enduring partnership between NATO and Russia., 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.
- Its new relationship with Russia is part of NATO's effort, in aftermath of Cold War, to adapt to new circumstances and meet new challenges.
- NATO remains 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, 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.

Founding Act Require Parliamentary/Legislative Approval?

- As stated in preamble, Act reflects an "enduring political commitment."
- Act does not embody Treaty-like legal commitments and thus will not be presented to Senate for advice and consent to ratification.
- How or if Act is presented to Duma for President Yeltsin and Russian Government to decide.

RUSSIA-IRAN MISSILE COOPERATION

Q: Are the Russians arming Iran with missiles and, if so, what are you doing about it?

A: We are very concerned by reports indicating that Russian entities may have transferred surface-to-air missiles and ballistic missile-related technologies to Iran.

In 1994, President Yeltsin publicly pledged that Russia would not enter into any new arms contracts with Iran and would close out existing contracts within a few years. The details of that commitment were finalized in 1995 during meetings between Vice President Gore and Prime Minister Chernomyrdin.

Prior to the signing of that agreement with Russia, we assured ourselves that the transfers contemplated under the agreement would not provide Iran with new capabilities, alter the regional balance, or compromise the ability of the United States and our allies to protect our mutual interests.

Any transfers to Iran of advanced anti-aircraft missile systems would provide Iran with new dangerous capabilities and would violate the 1995 agreement. Transfers of missile technology to MTCR-class missile programs in Iran would be inconsistent with Russia's commitments to the Missile technology Control Regime. In addition, missile cooperation between Russian entities and Iran could trigger sanctions under U.S. law.

We have raised our concerns regarding missile cooperation between Russian entities and Iran repeatedly and at the highest levels and have received assurances that Russia would not provide missiles or missile technology to Iran. We continue to monitor this very closely.

Current

Russia-Ukraine

- Welcome agreement by Ukraine and Russia on basing of Black Sea Fleet. Understand agreement signed by Prime Ministers Lazarenko and Chernomyrdin gives Russia 20-year lease of port facilities, allows access of both Russian and Ukrainian navies to key Crimean ports.
- Sets positive tone for Yeltsin's May 30-31 visit to Kiev. Expect Yeltsin and Kuchma to sign Treaty of Friendship and Cooperation.
- United States support strong, positive relations between Ukraine and Russia.

NATO-Ukraine Charter

- On May 29 in Sintra NATO and Ukraine initialed text of charter on NATO-Ukraine relationship to reflect Ukraine's unique contributions to European security.
- Yet another important step toward building stable, undivided Europe, showing successful efforts by parties since Kuchma's May 16 Washington meeting with President.

(If asked how this document differs from NATO-Russia Founding Act)

- Similar in many respects -- Charter also represents political commitment between NATO and Ukraine to consult and cooperate on security issues in Europe; neither is legally binding nor gives parties veto power over each other's decisions, actions.

General

NATO-Russia Founding Act

- Summit of NATO heads of state and government and Russian President Yeltsin held May 27 in Paris to sign Founding Act. Milestone agreement -- lays basis for robust and growing partnership between NATO and Russia.

(see also NATO-Russia and NATO-Russia Founding Act Fact Sheet)

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

Prospects for START II Ratification by Russian Duma

- At Helsinki summit, Yeltsin made clear his commitment to press Duma to ratify START II -- without conditions. In May 27 bilateral in Paris, Yeltsin assured President of commitment to START II, indicated he would press Duma to ratify Treaty.
- In May 20 meeting with Duma leaders on NATO-Russia Founding Act, Yeltsin made pitch for START II ratification.
- 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.
- Ratification of START II by Russia remains an essential prerequisite to begin START III negotiations toward further reductions in nuclear forces.

Suspension of Harvard Contracts

- AID suspended certain Harvard Institution for International Development contracts in Russia until further notice. Preliminary AID Inspector General investigation indicates two HIID employees violated contracts, used insider information for personal gain.
- Understand HIID has removed from their positions the two employees in question, reprimanded them for violating Harvard policy which prohibits advisors from investing in countries where they provide technical advice.
- Problem uncovered through careful program management. Refer to AID for details.

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.

IRAN: ELECTIONS

Q: Any further reaction to the Iranian election?

A: I think the President summed up our views yesterday in London.

Iran did have an interesting and hopeful election.

Nonetheless, we have very real concerns about aspects of GOI's behavior, including support for terrorism, attempts to undermine the Peace Process and efforts to acquire weapons of mass destruction and their means of delivery.

Our differences are not with the people of Iran. As the President indicated we favor an end to the estrangement between the people of the United States and the people of Iran and contact between them.

SWITZERLAND

- In a phone call May 26 with President Koller of Switzerland, the President welcomed the Swiss government's initial steps to deal with the issue of Nazi-era gold and assets, including asking Paul Volcker to head a commission to investigate dormant accounts, the historical inquiry and initiatives to create funds for victims.
- Two agreed on importance of further cooperative steps including cooperation on the part of historians to shed further light on issue.

Talks in New York City

Q: Can you confirm that there is a working level meeting going on in NYC?

A: The North Koreans communicated with us earlier this week suggesting a working level meeting be held in NYC between the North Koreans, the South Koreans and the U.S. to explore further unanswered questions around the four-party talks, as well as other issues of concern.

Q: What is your comment on meetings between the North and South Korean Red Crosses and the provision of direct food aid to North Korea?

A: North Korea's food shortage is severe and we welcome provision by the South Korean Red Cross of 50,000 metric tons of humanitarian aid to help alleviate those shortages. The meeting of the two Red Crosses is an important element of fending off severe starvation, and an important channel for maintaining direct North-South contacts.

Ramos Horta and White House Meeting

[Note to briefer: Ramos Horta or his supporters requested meetings with the President and the Vice President last year, and both meeting requests were turned down (or not acted upon). However, we are not aware that any other WH meetings were requested. Had they been, NSC staff would likely have met with Horta.]

Q: Any comment on the WP story regarding a decision not to see Nobel laureate Jose Ramos-Horta at the White House?

A: No such decision of this kind has been made.

Q: Would the President agree to see Ramos Horta in the future?

A: I can't speculate on what the President's schedule will or will not permit.

Q: What about other officials in the White House meeting with Ramos Horta?

A: A number of NSC officials have interests and responsibilities relating to Indonesia, including East Timor.

Should they receive requests for a meeting, I expect that they would have an interest in seeing Mr. Ramos Horta, and that a meeting of some kind would be arranged.

Q: Didn't the White House turn down a request for a Ramos-Horta meeting with the President?

A: While the President's schedule did not permit a meeting with Ramos Horta on his last visit, other senior Administration officials, including Undersecretary of State Tim Wirth and Assistant Secretary of State John Shattuck, met with Mr. Ramos-Horta.

We share Mr. Ramos-Horta's concerns about human rights in East Timor, as well as the need for reconciliation, and we recognize his tireless efforts to bring the plight of the people of the territory to the attention of the international community.

As Mr. Ramos-Horta himself has said, and I quote, "President Clinton is knowledgeable and sensitive about East Timor."

In March, we once again cosponsored a resolution at the UN Human Rights Commission on the situation in East Timor, and the President has raised this issue in meetings with Indonesian President Soeharto.

We have also strongly supported the efforts of the UN Secretary General to encourage dialogue among the Indonesians, the Portuguese and the people of the territory.

Election Process

Q: What is the Administration's view of the violence associated with the election process in Indonesia?

A: We deplore efforts to suppress the peaceful expression of political views or attempts to influence the election process. We encourage all elements of the Indonesia political spectrum to exercise restraint and work to ensure the late May elections are free and fair.

FIRST LIEUTENANT KELLY FLINN CASE

- The Air Force handled Lieutenant Flinn's case in accordance with the Uniform Code of Military Justice, and we respect the decision that the Secretary of the Air Force made to offer Lieutenant Flinn a general discharge in lieu of continuing the court-martial proceedings.
- As for the larger issues raised by this case, the Secretary of Defense has directed a review of fraternization policy across service lines, and we look forward to seeing his report on that review.

UN ARREARS

- The Administration has proposed a package of reforms concentrating on three broad areas: budget, personnel and oversight. We would not begin to pay our arrears until after the UN demonstrated that it had adopted these reforms. In only two years, the Administration's reforms would reduce the costs to the U.S. taxpayer of American membership in the UN system by nearly 10%.
- We have a window of opportunity in 1997 to achieve our reform objectives but it will soon close. The appointment of a new reform-minded UN Secretary General has increased the momentum for UN reform. In addition, this is the year that the UN's assessment rates and two-year budget will be set.
- The NYT story characterized our negotiations with the hill as "stalled". That is not the case. Much progress has been made, though perhaps not as fast as we would prefer and significant issues still remain. The administration supports the concept of benchmarks; the negotiations are over specifically which benchmarks should be enacted into US law.
- The President is asking the Congress to pay the arrears over two years to give our negotiators the diplomatic leverage they need to secure these reforms. Many nations do not believe American promises to pay our arrears -- they've heard it all before. Five years is therefore too long and will not be credible. If we can demonstrate to other member states that the United States will pay off its debts in a credible amount of time, then we have a good chance of succeeding. But if we cannot, then our chances are practically nil.

Chinese Execution/Arbitrary Police Power

- Q:** Do you have any comment on the summary execution in Xinjiang of eight Muslims, charged with bombing buses there?
- A:** We are aware of a growing problem with terrorist incidents in Western China, but do not have sufficient reliable information to comment on the situation. Our abhorrence for terrorist acts is well-known. That said, we also have concerns about how China's criminal justice system is administered.
- Q:** Is China a police state, as the New York Times article implies?
- A:** Certainly the level of police presence in many urban areas of China is intrusive, and its intolerance for political dissent constitutes one of the principal disagreements the United States has with China. We also note the article points out the rapid process of change that has taken place in China over the last 2-3 decades. We believe the direction of change has been toward a broadening of some democratic rights in China, and we believe it will continue to do so.

GEPHARDT OPPOSITION TO MFN

- Q:** Minority Leader Gephardt has come out in opposition to MFN renewal for China. Is this a blow to the Administration's renewal efforts?
- A:** Mr. Gephardt opposed MFN last year. We disagree with him, but respect his decision to do so again this year. However, this does not in any way change the President's view that extending normal trade status to China is the best way to integrate China further into the family of nations, and to secure our interests and ideals. Every President who has confronted the issue has supported MFN for China.

If we were to revoke normal trade status we would isolate ourselves cut off our contact with the Chinese people and undermine our influence with the Chinese government. Revocation would undermine America's security, non-proliferation, and economic interests. Engagement is the best way to advance the rule of law or respect for human rights in China. If we are to help shape China's direction, we must actively engage China on all fronts, using the appropriate tools at our disposal, not the blunt instrument of MFN revocation.

MFN

WHY CONTINUATION OF NORMAL TRADE STATUS IS IN THE NATIONAL INTEREST OF THE UNITED STATES:

- **ENGAGEMENT:** President Clinton's strategy is clear: US interests are best served by a secure, stable, open and prosperous China. The manner in which we engage China will help determine whether it becomes integrated into international norms and institutions or whether it becomes more isolated and unpredictable. This vote must be about how best to promote U.S. interests--not an endorsement of China's policies. Extending to China the same normal trade treatment we give to virtually every nation on earth will help further integrate China--and promote the interests of the American people.
- **INTERNATIONAL COOPERATION:** China's adherence to international norms is fundamental to advancing the interests of the American people. On nonproliferation, China has joined us in the NPT, CTBT, and CWC regimes. China is a constructive contributor to maintaining stability on the Korean peninsula and bringing North Korea into peace talks. We have a strong bilateral program to combat alien smuggling, narcotics trafficking and terrorism. Negotiations on China's adherence to WTO norms and standards are moving forward, building on past trade successes such as last year's intellectual property accord. MFN extension supports our efforts to subject China to the same international discipline as other major powers and builds on cooperation in important areas.
- **HONG KONG:** Hong Kong is the gateway of trade between the US and China. Revocation of MFN would seriously weaken the people of Hong Kong just when they need to assert their strength and autonomy. The Hong Kong Government estimates that revocation would: slash trade by \$20-\$30 billion, eliminate 60,000-85,000 jobs, cut economic growth by well over 50% and reduce income by \$4 billion. That's why Hong Kong leaders across the political spectrum, including Hong Kong Democratic Party leader Martin Lee and Governor Patten favor renewal of MFN.
- **JOBS:** Today an estimated 170,000 U.S. jobs depend on exports to China. U.S. exports to China have more than tripled over the past decade and China is now our fifth largest trading partner, accounting for \$12 billion of U.S. exports. Revocation would derail the talks on China's entry into the World Trade Organization, under which China would reduce its trade barriers substantially, creating new export opportunities for U.S. companies and workers. Revocation would invite retaliation against U.S. exporters and investors. Revocation would also hurt U.S. consumers, who could pay upwards of half a billion dollars more in a single year because of higher tariffs on such products as shoes and clothing.
- **HUMAN RIGHTS:** Engagement does not mean endorsement. The Administration has consistently pressed its human rights concerns with China, including most recently in Geneva at the UN Human Rights Committee. Over time normal trade and continued economic engagement opens up Chinese society. Every year, thousands of Chinese employees of U.S. companies visit this country, gaining exposure to our politics, economy and personal freedoms. Revoking normal trade status will diminish these growing ties and play into the hands of those in China who want less openness.

- **RELIGIOUS FREEDOM:** Revocation would also set back the cause of winning religious freedom in China. This is the view of the China Service Coordinating Office, an organization serving more than one hundred Christian organizations in China. They fear the following effects: doors will be closed for service through educational, cultural and other exchanges; revocation would undermine Hong Kong and Taiwan, hurting their Christian outreach to the mainland
- **TAIWAN:** Revocation would damage Taiwan's economy, with \$20-30 billion invested in the mainland. Taiwan's economic viability is in the interest of the American people.

CHINESE ICBM

Q: What is your reaction to today's [May 23] report in the Washington Times that China will soon deploy a new mobile strategic missile with multiple warheads that will pose a significant threat to U.S. forces in the Pacific and parts of the continental United States.

A: While I don't want to comment on the specifics of the report, I will say that we are monitoring closely China's missile and nuclear program. Has been and remains a concern.

Since the early 1980's, however, China has had nuclear missiles with the capability to threaten U.S. interests, including our homeland. One reason why the United States maintains a policy of nuclear deterrence and retains nuclear forces sufficient to accomplish this task.

Just this month, we reaffirmed our commitment to maintaining a robust nuclear deterrent in our National Security Strategy report. We are committed to maintaining nuclear forces sufficient to deter any hostile foreign leadership with access to nuclear forces and to convince it that seeking a nuclear advantage would be futile.

SANCTIONS ON CHINA INVOLVING CHEMICAL WEAPONS TO IRAN

Q: Today, the Federal Register announced U.S. trade sanctions against China for sales of chemical weapons. Can you describe what China has done and what these sanctions are?

A: Yesterday, we imposed sanctions on 7 Chinese entities for their export of chemical goods and equipment to Iran, which we believe will be used in Iran's chemical weapons program.

The sanctions are against specific individuals and companies, and not against the government of China. We have no evidence that the Chinese government was involved in these exports.

The sanctions prohibit the U.S. Government from procuring goods from the sanctioned entities and also prohibit the importation into the U.S. of any products produced by the sanctioned entities.

The Chinese government has stated publicly its commitment to the Chemical Weapons Convention. We hope that this action on our part will serve to encourage the Chinese government to improve its export controls, so as to prevent Chinese entities in the future from assisting Iran's chemical weapons program.

We are ready to follow-up today with more detailed briefings, if this would be useful.

LONG BEACH/MARINE CORPS RESERVE/COSCO

Due to extensive damage from 1994 Northridge earthquake, a USMC Reserve artillery unit temporarily relocated to Long Beach. Following 1995 BRAC decision to close Long Beach Naval Shipyard, the USMC requested to use buildings on the edge of the dry-dock facility -- buildings now occupied by Boeing Corporation -- at the Naval Shipyard. The Navy denied the request:

- Not the best use of buildings more appropriately used for maritime activities, not a USMC Reserve artillery unit.
- The *Federal Property Management Regulations* contain criteria for evaluating requests for disposing USG properties: require consideration of whether the proposed use is *the highest and best use of the property* and whether the proposed transfer will adversely impact the transfer of any remaining facilities.
- Value of the property was primarily related to its access to deep water. Any use of this property that didn't require access to deep water and use of port-related improvements is not in the highest and best use of this property; Reserve artillery center does not require waterfront property.
- USMCR presence would have essentially created an island in the middle of a civilian industrial activity. Providing access and utilities to this facility -- in the middle of commercial port activities -- would have been an issue.
- Naval Station Seal Beach -- where USMC is asking for \$6 million to build new facilities -- is an active base with infrastructure to support the Reserve unit's activities.

COSCO

Was the Marine Corps removed because they were an obstacle to turning over the naval base to COSCO?

- The Navy's negotiations were with the City and Port of Long Beach. The Navy's responsibility is to determine the highest and best use of a parcel of property and dispose of it accordingly. The selection of tenants and users of port facilities is the Port's responsibility.

EL SALVADOR

- The Administration has been worked with Congress since late 1995 to look into events surrounding the 1985 Zona Rosa murders and the 1990 parole into the United States of Pedro Andrade. At the request of the SSCI, Inspectors General from State, Justice, CIA and DoD undertook formal investigations of the Zona Rosa incident and its aftermath. The results of those investigations were briefed to interested agencies and reports were delivered to the SSCI in late September. Senator Shelby requested declassification of the four reports. The White House encouraged the four agencies concerned to undertake this declassification on an expedited basis and those reports are now available to the public at the National Archives.
- The IG's concluded that no laws or regulations were violated in the Andrade parole, but did identify a failure to communicate and lack of coordination among agencies involved in the parole decision. The Department of Justice's IG recommended that the process for coordination of parole requests needs improvement.
- To ensure appropriate high-level attention to sensitive public benefit parole requests, INS and State have developed mechanisms to increase accountability and ensure adequate senior-level review of each case. These new procedures will ensure better coordination and more stringent law-enforcement review of future parole requests. (FYI for briefer: There are about 500 public benefit paroles each year. These are paroles which involve political or national policy interests. Only 5-10 of these originate with the Department of State. Most come from law enforcement agencies.)
- The INS exclusion process for Pedro Andrade is a judicial proceeding. It is our policy not to comment on asylum issues.

TURKISH INCURSION INTO IRAQ

Q: What is your reaction to the incursion of Turkish forces into northern Iraq on May 14 to attack PKK strongholds?

A: The Turkish military launched an operation against PKK forces in northern Iraq on May 14. This action is 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.

We have repeated this message with respect to the current operation and been assured by the Turkish government that this operation will be conducted with these concerns in mind.

We also note that Prime Minister Erbakan confirmed publicly on May 16 that the operation would be limited in scope and temporary in duration.

Turkish government sources have announced that, as of May 20, approximately 1300 PKK terrorists had been killed in action. Turkish losses were put at 14.

We do not have any independent confirmation of these estimates.

There are also press reports from Turkey suggesting that the PKK has been forced to evacuate its bases in northern Iraq.

Our position on the PKK remains clear. It is a vicious terrorist group of Marxist-Leninist origin responsible for the deaths of many innocent ethnic Kurds and Turks in Turkey and has no role to play in northern Iraq.

ISRAEL/JORDAN

AID FOR JORDAN

Q: Do you have anything more on 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: 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.

ISRAELI SETTLEMENTS OCCUPANCY RATE

Q: Do you have any comment on this flap about the occupancy rate of Israeli settlements on the West Bank?

A: You know our views on settlements. Focus right now has to be on re-energizing the negotiations between the Israelis and the Palestinians. They need to deal with a variety of issues in that context, and settlements is one of them.

WAR CRIMES

Q: Why did Gelbard say War Criminals is the top priority "sine qua non" while Albright's prepared text only listed war criminals among other priorities?

A: Bringing war criminals to justice is one of our top priorities in Bosnia and a key ingredient to long-term peace. Our top priorities are:

- bringing war criminals to justice;
- improving indigenous public security capabilities to maintain law and order;
- preventing a resumption of fighting after SFOR departs by promoting military balance through completion of train and equip program and arms reductions;
- advancing development of democratic, self-sustaining joint institutions and promoting the rule of law;
- enhancing economic reconstruction, inter-entity commerce and accelerated distribution of economic assistance to all areas of Bosnia;

Secretary Albright spoke to the importance of each of these key areas in her remarks.

Q: Why did Albright drop the list of priorities in her delivery?

A: Far from not mentioning them, Secretary Albright's speech focused on these priorities. They are part and parcel of her remarks.

Q: What did Secretary Cohen mean when he said the IPTF is important for the war criminal problem, when the IPTF has no mandate to capture war criminals?

A: The IPTF is critical to improving indigenous public security capabilities to maintain law and order. The IPTF is not there to capture war criminals, but they play a key role in bringing the rule of law and respect for human rights to Bosnia. The parties are responsible for turning over indicted war criminals to The Hague.

Q: Is there daylight between State and DoD positions on the role of SFOR in support of civilian tasks?

A: There is no daylight. SFOR's mission will not change. As Secretary Albright said in her speech, SFOR will remain focused on the principal tasks of enforcing the military aspects of Dayton and will continue to actively support civil implementation tasks, within its mandate and capabilities, on such things as economic reconstruction and elections.

Nomination of David Scheffer to be Ambassador at Large for War Crimes Issues

- If confirmed, David Scheffer's responsibilities will be to advise the Secretary of State on U.S. efforts to address serious violations of international humanitarian law throughout the world.

- This will include coordination of support for the Yugoslav and Rwanda tribunals; leading negotiations at the UN for the establishment of a permanent international criminal court; and coordination of US efforts to establish international mechanisms of accountability for past or on-going violations of international humanitarian law in conflict areas.
- He also will assist the Secretary in addressing the needs of victims of atrocities.

[IF ASKED]

Q: Does this nomination indicate that the U.S. will be more serious in seeking to apprehend indicted war criminals?

A: U.S. continues to strongly believe that all persons indicted by the War Crimes Tribunal should appear in the Hague for trial.

We have emphasized to the parties (including Milosevic) that failure to cooperate with the War Crimes Tribunal can have serious consequences.

U.S. and SFOR will continue to provide support to the International War Crimes Tribunal and other civilian organizations that are working to bring indicted war criminals to justice. In particular, SFOR will detain indicted war criminals if it comes into contact with them, but it is not SFOR's mission to hunt them down.

Iran Files

Q: What do you think about CIA destroying its records on the 1953 coup?

A: The destruction of the CIA records on its 1953 operations in Iran leaves us with an incomplete understanding of those significant events. It is important now that CIA try to piece together the record of its activities in Iran during that period from the memories of those involved. We understand CIA will undertake such a project.

If asked:

Q: How about two DCI's telling the American people that CIA would release these records when they had actually been destroyed thirty years ago?

A: Obviously DCI Gates and DCI Woolsey had no reason to believe that the documents were not still intact.

If pressed:

Q: How about that CIA not letting the DCI know that they had destroyed documents?

A: I would refer you to the Agency for the details on when the documents were destroyed and when this information came to light.

Openness/Guatemala Issue

- We would note that CIA has taken extraordinary steps toward openness over the past five years.
- The Agency, for the first time, is about to release to the public volumes of documents relating to a covert action, the 1954 coup in Guatemala.
- We are confident that CIA will continue to release documents of historical interest, consistent with the protection of sources and methods, but understand that such a process necessarily takes time.

Budget/Suit

- The President has previously endorsed the public disclosure of the aggregate appropriation for intelligence and intelligence-related activities of the United States at the time the appropriations are passed by Congress.
- Former DCI Deutch, in testimony to the Congress, agreed. The administration would support such a provision in the intelligence authorization act.

QUADRENNIAL DEFENSE REVIEW (QDR)

QDR

- 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. *Although there are a lot of details to the QDR report -- and the President has not gone over them line-by-line -- he was briefed on and approved the basic elements of the report.*
- The NSC staff and OMB participated as observers at a senior level throughout the review and will remain involved in QDR-related follow-up as it pertains to budgetary issues and as revised program plans for FY-99 and onward are developed.
- Urge Congress to work closely with the Administration in using the QDR as the first step on the road to shaping the U.S. military to respond to the diverse challenges of the twenty-first century. As Secretary Cohen said last week, this is an evolutionary process -- a process that involves making hard choices.

BRAC:

Why are we closing more bases, particularly as the 1995 Commission on Roles and Missions recommended a six-year hiatus in base closures?

- The Joint Chiefs have strongly urged that we close more excess base infrastructure. Since the end of the Cold War we have decreased our active force by 33 percent. The reduction in domestic base infrastructure has been only 21 percent. After completing the force structure reductions under the QDR, the force will have decreased by 36 percent.
- As these figures demonstrate, it is clear that DoD is spending an increasing percentage of its funds on overhead -- funds that can be used to modernize the force, to replace aging Cold War era equipment and to develop future systems.
- **Across the Federal government we are restructuring to achieve greater efficiencies and savings -- and the Department of Defense cannot be exempt. The President has said that he is supportive of the QDR decisions and we will work with Congress to fashion appropriate legislation to guide future BRAC rounds so as to bring our base structure more in line with our force structure.**

How can the President propose more closures when he "saved McClellan and Kelly?"

- The 1995 BRAC decision was a particularly difficult one for the President. Only after receiving written assurances from Alan Dixon, the BRAC Commission Chairman, that the Commission intended to provide DoD the flexibility to privatize at Kelly and McClellan, did the President agree to forward the BRAC recommendations to Congress.

- Congress approved the 1995 BRAC recommendations the President sent forward. Included with those recommendations was the intention to implement a privatization plan for Kelly and McClellan Air Force Bases.
- The President wrote to Alan Dixon that he would accept the Commission's recommendations "because of the overwhelming national security interest in reducing our base structure in line with the personnel reductions that have already taken place...." He also said that his acceptance of the recommendations was based on the understanding that DoD would "implement a privatization plan for McClellan Air Force Base (AFB), in Sacramento, California, and Kelly AFB in San Antonio, Texas, that reduces the economic impact on these communities and avoids unacceptable disruption of Air Force readiness...." [Many in Congress continue to criticize the President for the decision to privatize activities at the Kelly and McClellan AFB depots.]

National Guard:

Doesn't the QDR's plan to cut the Army National Guard violate the President's previous assurances to support the Guard and further integrate it into our "Total Force"?

- The President and this Administration remain committed to a strong partnership between our Active and Reserve military components. As Governor of Arkansas and President of the United States, President Clinton has seen first hand the unparalleled contributions our citizen soldiers make to our national security and the safety of our citizens at home.
- The President has pledged that he would "not let the Guard become a backup force of last resort" -- and he won't. In fact, under this Administration the Reserve Components have become an even larger percentage of our total military force.
- The QDR, even though it cuts the Army Reserve and the Army National Guard, actually strengthens the National Guard by accelerating Guard conversion and modernization programs and outlining wartime missions for the National Guard.
- Guard and Reserve forces provide trained units and individuals to fight in wartime and to support the wide range of peacetime operations. No major operation can be successful without them and the Army Guard's Enhanced Separate Brigades are written into theater war plans.
- Having said that, the need for as large a strategic reserve as we had during the Cold War has declined. This was demonstrated as recently as last week, when NATO and Russia agreed on the text of the "Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation." In the preamble to that document both sides agree that NATO and Russia do not consider one another adversaries and cite the sweeping transformations in NATO and Russia that make possible this new relationship.
- When the QDR reductions are completed, the Army Reserve and National Guard combined will have been reduced 32 percent from Cold War levels -- as compared with a 38 percent reduction in the Active Army.

Modernization:

Isn't the seriousness of the QDR process called into question by the decision to retain three expensive tactical fighter programs (F-22, Joint Strike Fighter, F/A-18F/F)?

- The QDR assessed alternatives for all three programs from the standpoint of both warfighting risk and acquisition cost. Although the total number of planned aircraft were reduced, and the procurement pace was revised, the QDR concluded that it would not be prudent to terminate any of the programs given the warfighting risk of such a decision and the significant adverse impact it would have on technology development and the defense industrial base.

If we are to retain an ability to fight two regional wars, don't we need more B-2 bombers, particularly in light of the planned QDR force structure reductions?

- The QDR examined various options for adding additional B-2s to the 21 planned aircraft. The arguments against additional B-2s, particularly the large unprogrammed expenses in the FYDP (\$2.4 - \$14.3 billion) and the long gap between the retirement of the offset aircraft and the delivery of the extra B-2s, outweigh arguments in favor of extra B-2s. Further, the retirement of Navy and Air Force fighter aircraft, for instance, would limit our ability to conduct our national security strategy of overseas engagement.

Strategy:

Aren't we exaggerating or inflating the threat by maintaining a requirement to prepare to fight two major regional wars nearly simultaneously -- as expressed in the President's 1997 National Security Strategy and the QDR?

- The 1997 National Security Strategy makes a clear case that as long as countries like Iraq and North Korea remain capable of threatening vital U.S. interests, a two war requirement is prudent.
- Maintaining such a capability should deter adventurism elsewhere if we are heavily engaged in one theater and provide a hedge against the possibility that we might encounter larger or more difficult than expected threats.
- A strategy for deterring and defeating aggression in two theaters ensures we maintain the flexibility to meet unknown future threats while our continued global engagement helps preclude such threats from developing.

Wasn't the QDR really budget-based, rather than strategy-based?

- An updated defense strategy was formulated as the first step of the QDR and provided the conceptual foundation for the rest of the review. Subsequent QDR decisions flowed from the strategy. [The QDR was developed in parallel with and draws on the President's 1997 National Security Strategy Report, which was released May 15.]
- Having said that, there were fiscal constraints that guided the process. Efforts to reduce the deficit and balance the budget by 2002 clearly suggest that there are limits to the amount of funds available for future weapons procurement. Thus, the QDR sought to try and restructure DoD and free-up funds for modernization -- while operating within the President's budget figures.

MIDDLE EAST PEACE PROCESS

MUBARAK-NETANYAHU MEETING

Q: What is your reaction to the meeting between PM Netanyahu and President Mubarak in Egypt on Tuesday? Should Arafat be included in the next meeting?

A: We welcome the meeting as a sign that the Egyptians and the Israelis are looking for ways to advance the peace process.

We have long held that contacts such as these between leaders in the area can be helpful in fostering the peace process.

We are also pleased that the two leaders plan to work for a follow-on meeting in the near future.

The inclusion of Chairman Arafat in a meeting is a matter for the three leaders to decide.

Q: Didn't the meeting lack any concrete results? Why are you so positive?

A: We favor all efforts to put the process back on track, and this is such an effort.

Q: Were you consulted on the meeting?

A: We were in close touch with both sides prior to the meeting.

MUBARAK-ARAFAT MEETING

Q: Do you have any details for us on the meeting between President Mubarak and Chairman Arafat before the Mubarak-Netanyahu meeting?

A: I have nothing for you on the meeting.

PALESTINIAN AUTHORITY: UPDATE ON DETAINED PALESTINIAN-AMERICAN JOURNALIST

Q: Do you have an update on the status of journalist Daoud Kuttab, who had been detained by the Palestinian Authority?

A: We welcome his release on Tuesday.

We urge the Palestinian Authority to protect freedom of expression and freedom of the press.

Q: Is it true that you have begun denying visas to Palestinian Authority officials as punishment for Kuttab's detention?

A: This is not true.

Q: Is it true that you denied Faisal Hussein a visa in retribution for the PA's detention of Kuttab?

A: Mr. Hussein received his visa on May 23.

PALESTINIAN AUTHORITY: GOVERNMENT MISUSE OF PUBLIC FUNDS

Q: What is your reaction to a Palestinian Authority report that five Palestinian Authority "ministers" have misused \$326 million in public funds?

A: We have seen the press reports and are looking into the matter.

Q: Will the U.S. suspend its aid to the Palestinian Authority as a result of this report?

A: It is premature to make any judgments about the impact of these allegations for U.S. aid to the Palestinians, which is beneficial to the search for peace in the region.

U.S. assistance to the Palestinians is carefully monitored and we can account for the way it is used, which is largely for specific projects.

Q: UNRWA is asking for more international assistance for its programs for Palestinians. Is UNRWA money - including that coming from the USG - being mismanaged?

A: As I said, we are looking into this just-released report.

PALESTINIAN AUTHORITY: ALLEGATIONS OF TORTURE

Q: What is your reaction to a Palestinian human rights group's allegations that the Palestinian Authority routinely employs torture against detainees and prisoners?

A: The U.S. opposes any use of torture against detainees or prisoners.

Our views on the human rights situation in the territory administered by the Palestinian Authority are contained in our annual human rights report.

We regularly discuss human rights issues with the Palestinian Authority.

We have not yet seen the text of this report, but will review it closely.

Q: Has the Peace Process broken down? Is Dennis Ross a spent force? Are you going to become personally engaged in negotiations? Are you sure there's a 25 percent vacancy rate in Israeli settlements? Did you announce that figure to pressure Netanyahu?

A: No doubt it's a difficult time in the Peace Process. Dennis Ross returned from the region after arranging the first meeting between the parties in some time. Shows that he's a tough, determined negotiator. We believe such contacts will continue.

We're going to remain actively engaged in the process, looking for opportunities to move it forward. Progress seldom made through grand gestures, but through hard work with the parties.

Ultimately, decisions about moving the process forward up to the parties themselves. We can facilitate, provide opportunities, reassurance; they have to make the decisions.

You know our views on settlements; they complicate the process. As we've said before, our focus now is on getting the parties back to the negotiating table.

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.

Khobar Bombing

Q: What about the Sayegh story?

A: This is an ongoing investigation.

I am not going to comment on this issue.

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.

OECD ANTI-CORRUPTION DEBATE

Background: Talks continue on whether to proceed to criminalization of foreign commercial bribery through an OECD Recommendation for national legislation or via further negotiation of an OECD Convention. France, Germany, Japan and Spain have blocked consensus by insisting on negotiation of an OECD Convention.

A possible compromise would provide for national legislation based on agreed common elements to be submitted to legislatures by Autumn 1998, while OECD members seek to negotiate a convention by the Spring of 1998. If successful, the Convention would provide the basis for national legislation. The key U.S. objective is prompt enactment of strong national legislation.

France thus far has rejected the compromise proposal. Germany and Japan are considering it. Spain will not block consensus.

Q: What is the U.S. trying to achieve in the OECD on combatting bribery of foreign officials, and what are its prospects?

A: OECD Ministers meet on May 26 in Paris. Secretary Daley will lead our delegation. The United States and other members of the OECD seek prompt, effective action to put an end to foreign commercial bribery. The United States has criminal laws that prohibit bribery of foreign government officials, and, with U.S. leadership, the OECD has developed a set of common elements that should be included in national antibribery legislation.

The large majority of OECD members have agreed to an OECD recommendation to enact national criminal legislation, based on the common OECD elements, by the end of 1998. Only a few countries have refused to join the consensus, insisting on prior negotiation of an OECD convention.

U.S. experience demonstrates that a convention is not necessary to criminalize foreign bribery. We should not delay national action in favor of more negotiations.

TRIPS AND VISITORS

- President Kiro Gligorov of the Former Yugoslav Republic of Macedonia in Washington June 17 for working visit with the President.
- Denver Summit of the Eight June 20-22.
- Australian Prime Minister John Howard to meet with President Clinton at the White House on June 27.
- 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 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.

Q: What is your reaction to SLORC's actions?

A: We deplore the SLORC's actions to prevent meetings of the NLD, repress Aung San Suu Kyi's public speaking and access to her supporters as well as the arrest of several hundred democracy advocates. The SLORC's continued repression of political opinion and abuses of human rights are further evidence of the merit of U.S. imposition of sanctions against Burma. We call on all friends of democracy and political openness to condemn the SLORC's most recent actions.

Q: Is the Administration opposing Burma's entry into ASEAN this July (along with Cambodia and Laos)?

A: ASEAN membership is a decision for ASEAN to make. However, we have discussed the membership question with ASEAN countries on several occasions. We believe it is in ASEAN's best interests to evaluate carefully whether its policy of constructive engagement with Burma is working; in our view ASEAN's image as a grouping of dynamic high-growth economies committed to maintaining stability in Southeast Asia will be tarnished severely by Burmese membership.

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.

SFOR Mission Duration

- We continue to believe that SFOR's mission should be completed by mid-1998. If we and the international community focus our efforts, then the next 13 months should give sufficient time needed to establish conditions to maintain security and stability without an outside military presence.
- We should be focusing on the work that needs to be done now and not talking about how we are going to leave.

Embassy Sarajevo/Office of High Representative

- The Office of the High Representative and the U.S. Embassy in Sarajevo continue to perform superbly in coordinating the massive international effort and demonstrating U.S. leadership, respectively, in helping bring peace to Bosnia.
- After 18 months of implementing Dayton, it is natural that there is some transition in personnel. We salute and honor the exceptional service turned in by U.S. and international diplomats in Bosnia. At the same time, we are building an exceptional and seasoned new team of U.S. and international diplomats that can bring fresh energy and ideas to the implementation effort.
- While neither the new U.S. Ambassador nor the High Representative have been named, I can assure you that each position attracted a superbly qualified pool of candidates. As these and other key positions are filled, we are also working to ensure the smoothest possible transition so as to preserve institutional expertise and continuity.

Bosnia Implementation Plan/Albright Speech

- At the President's direction, we have recently completed an interagency Bosnia policy review and implementation plan aimed at reinvigorating U.S. and international efforts to bring self-sustaining peace to Bosnia. Secretary Albright's speech talked about this renewed implementation effort and was a call to action for international efforts to implement Dayton.
- A key conclusion of our new approach is that Dayton remains the only viable framework for long-term peace. This is evident in the substantial progress we have made since we began the implementation effort: stopping the fighting, separating the warring factions, holding successful national elections, creating joint institutions, making great strides in economic reconstruction, and gradual momentum on freedom of movement and return of refugees and displaced persons.
- The implementation plan is a detailed step-by-step road map aimed at creating a self-sustaining peace beyond June 1998, establishing courses of action and benchmarks in all priority implementation areas.

- Priority areas are:
 - bringing war criminals to justice;
 - improving indigenous public security capabilities to maintain law and order;
 - preventing a resumption of fighting after SFOR departs by promoting military balance through completion of train and equip program and arms reductions;
 - advancing development of democratic, self-sustaining joint institutions and promoting the rule of law;
 - enhancing economic reconstruction, inter-entity commerce and accelerated distribution of economic assistance to all areas of Bosnia.
- To achieve progress in these areas, the plan calls for a strategy to develop and apply greater incentives and other forms of leverage to give the parties a stake in implementing Dayton and to overcome their differing visions of Bosnia's future.
- We will also be launching an intensive campaign to reinvigorate the international effort. The goal is to re-focus implementation efforts and rally the international community on areas where we expect greater support, such as international police.
- We are introducing new programs to effectively and quickly target economic assistance to "Open Cities" that accept return of refugees and displaced persons from other ethnic groups.
- The President has been discussing the way ahead on Bosnia in his meetings in Europe. Secretary Albright will present the plan to our Contact Group partners and the parties at the Peace Implementation Council Steering Board Ministerial on May 30. Both she and Ambassador Gelbard will travel to the region in the coming weeks to explain and begin execution of the plan.

Train and Equip Program

- 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.

War Criminals

- We continue to remain deeply concerned with the slow progress on war crimes front in Bosnia. Recent convictions in a German Court and by the International Criminal Tribunal are important steps toward justice in Bosnia, a key ingredient to long-term peace.

- With these convictions 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.
- 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.

NORTHERN IRELAND

High-Level Talks with Sinn Fein

- The United Kingdom has taken strong steps in pursuit of a cease-fire in Northern Ireland that would lead to inclusive peace talks.
- We have been urging the IRA to declare an unequivocal cease-fire as a precondition for Sinn Fein's participation in such talks.
- Those discussions have been ongoing since the previous cease-fire was broken.
- The U.S. has had contacts at high levels with all of the parties to reinforce this message. Some of these contacts have been well-publicized, such as last week's meeting between British Northern Ireland Secretary Mowlam and National Security Advisor Berger.
- We have not, however, chosen to publicize all of our contacts.

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) supplemental 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)...

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.

DENVER SUMMIT

Q: Why are we not inviting African leaders to Denver, given that we are talking about Africa in Denver?

A: It is the general practice of the G-7 leaders not to meet with other heads of state and government at their annual meetings. Every year, a large number of such requests are received and it would fundamentally change the nature of the meetings if participation in the meetings were to be expanded significantly.

(IF ASKED): Russia's special circumstances and its status as a major industrialized democracy have led the G-7 to invite Russia to participate on a regular basis in recent years.