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Daily Press Guidance - June 5, 1997

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6/5/97

Daily Press Guidance

**Thursday
June 5, 1997**

(For internal use only.)

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G drive on
7/9/97

Press Guidance
Thursday, June 5, 1997

Announcement

1. VP Event on Crime prevention and Public Housing - ~~Public Housing~~ ^{Crime}
2. VP Welfare announcement - welfare

Domestic

1. Budget - Budget
Welfare/Immigration - immigration
Education package - education
2. Race relations - Race relations
3. Tobacco - Tobacco
4. Disaster Supplemental - FEMA
5. FEC petition - FEC
6. Comp time - Comp Time
7. IRS privacy violations - IRS
8. TV Ratings - TV
9. Human cloning - Bioethics
10. GPRA - GPRA
11. Air Standards - Environment

Foreign

1. DROC (Congo)
2. Sierra Leone
3. Germany/Kohl
4. Cyprus
5. Kazakstan/Iran
6. France
7. India
8. Greece/Turkey
9. Russia/ABM Treaty
10. Russia/NIS
11. Iran Elections
12. Korea
13. Indonesia
14. UN
15. China
16. CIA
17. Algeria
18. Middle East
19. Saudi Arabia
20. Fast Track - Foreign
21. Trips and Visitors
22. Burma
23. Bosnia
24. Northern Ireland
25. Gulf War Illness
26. Denver Summit

THE WHITE HOUSE
Office of the Vice President

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CONTACT: (202) 456-7035

****MEDIA ADVISORY****

**VICE PRESIDENT TO ANNOUNCE CRIME AND DRUG PREVENTION PACKAGE
TO PROTECT PUBLIC HOUSING RESIDENTS**

WASHINGTON -- Vice President Gore will announce a comprehensive enforcement and prevention package designed to clear crime and drugs from public housing and provide communities with the tools they need to make their neighborhoods safe for children.

THURSDAY, JUNE 5, 1997 2:00 PM
ROOM 450, OLD EXECUTIVE OFFICE BUILDING
OPEN PRESS

NOTE: Media without White House Credentials wishing to cover the Vice President's announcement should fax their Date of Birth, Social Security Number, and Organization to the Vice President's Communications Office [(202) 456-2685] no later than 10:00 AM, Thursday (6/5). Media should gather in the White House Briefing Room for escort to the Old Executive Office Building at 1:30 PM.

President Clinton and Vice President Gore are dedicated to ensuring that our streets, neighborhoods and communities are free from the scourge of crime and drugs. This announcement will demonstrate the Administration's continued commitment to fighting violent crime and drug activity in our public housing authorities.

The Vice President will be joined by Attorney General Janet Reno, Secretary of Housing and Urban Development Andrew Cuomo, and several Mayors.

Also expected to attend the Vice President's announcement are 10 U.S. Attorneys and 18 Assistant U.S. Attorneys, and representatives and residents of the following public housing authorities:

Detroit (MI) Housing Commission
Philadelphia (PA) Housing Authority
Kansas City (MO) Housing Authority
San Francisco (CA) Housing Authority
Washington (DC) Housing Authority
New Orleans (LA) Housing Authority
Greensboro (NC) Housing Authority

Gary (IN) Housing Authority
Chicago (IL) Housing Authority
Atlanta (GA) Housing Authority
Memphis (TN) Housing Authority
Boston (MA) Housing Authority
Newark (NJ) Housing Authority

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Get Tough. Help Families.

Vice President Gore, Attorney General Reno, Secretary Cuomo Announce Enforcement and Prevention Strategy to Fight Crime and Drugs in Public Housing June 5, 1997

The American Dream is alive and well at public housing sites across America. At more than 3,400 locations nationwide, parents are working hard to get an education, find a job, raise their families, and move from welfare to work. They shouldn't have to confront bullets flying through their windows, and they shouldn't be forced to worry about their children being approached by drug dealers on the way home from school. But in too many places, that's the reality of everyday life.

In his State of the Union Address last year, President Clinton challenged federal officials, Public Housing Authorities, and tenants to adopt a "One Strike and Your're Out" policy to clean up public housing and make it a safe place for children to live. The strategy had two simple parts: sweep out drug dealers and criminals, then prevent them from coming back. Since then, initial results show America has responded: increasing the number of drug-related convictions by a third, and nearly doubling the number of drug dealers and criminals kept out of public housing.

Today, Vice President Al Gore, Attorney General Janet Reno, and HUD Secretary Andrew Cuomo are announcing a new four-part strategy that builds on the success of the past two years and takes the next step to protect public housing residents from the scourge of crime and drugs. This package strikes a balance between the need for strong punishment and the need for strong prevention. It promotes partnerships between law enforcement agencies and tenant organizations. It reaches out to young people and provides alternatives to crime and drugs. Above all, it seeks to meet the challenge made by President Clinton in his second inaugural address: to provide neighborhoods safe for children to grow up.

Today's package provides the tools communities need to fight crime and drugs in public housing, in four ways:

- **First**, it intensifies law enforcement activities in the "worst of the worst" -- the 13 cities with some of the most troubled public housing authorities in America today.
- **Second**, it complements those same enforcement activities with an equally aggressive prevention strategy -- supporting tailor-made, community-driven crime prevention programs.
- **Third**, it provides \$250 million to support local efforts to fight crime and drugs, empowering neighbors to take responsibility for keeping their communities safe.
- **Fourth**, it calls for \$20 million to strengthen HUD's Operation Safe Home, an innovative partnership between federal, state, and local governments designed to maximize crime-fighting efforts in public housing.

More specifically:

1. It steps up law enforcement activities in 13 targeted cities.

In 1996, HUD and the Department of Justice launched the Priority City Initiative, targeting the six most violent public housing authorities in the nation.

The program was so successful that another seven cities have been targeted this year. As of today, the expanded program is up and running in all 13 cities. In each city, the U.S. Attorney has facilitated, or is facilitating, meetings and task forces between a broad range of law enforcement officers, including: the HUD Office of the Inspector General, the FBI, the DEA, the ATF, public housing directors, PHA managers, and local police chiefs.

These forums are designed to coordinate efforts and get everybody reading from the same page: identifying trouble spots, brainstorming innovative solutions, and coordinating responsibilities of each agency. In fact, these meetings have set the stage for ongoing cooperations between public housing authorities and law enforcement agents.

The six original cities include: San Francisco, CA; Philadelphia, PA; Chicago, IL; Detroit, MI; New Orleans, LA; and Washington, DC.

The seven new cities include: Newark, NJ; Kansas City, Missouri; Boston, MA; Atlanta, GA; Greensboro, NC; Memphis TN; and Gary, IN.

Success Stories

The DOJ/HUD Priority City Initiative is a proven model of success. The original six cities targeted have experienced promising results since the effort was initiated in April of 1996.

- **San Francisco** -- Enforcement sweeps of the targeted areas of the San Francisco Housing Authority have resulted in more than 250 felony arrests.
- **Philadelphia, PA** -- 29 drug dealers have been arrested in and around one housing development and 150 bags of crack cocaine and marijuana were seized.
- **Chicago, IL** -- In October of 1996, 13 drug dealers responsible for all drug trafficking around the Wentworth Gardens project were arrested.
- **Detroit, MI** -- Efforts in Detroit have resulted in more than 70 arrests in and around public housing projects.
- **New Orleans, LA** -- In the Iberville Housing Development numerous arrests and drug seizures have been made.
- **District of Columbia** -- More than 60 arrests in the Montana Terrace apartment complex.

2. It helps prevent violent crime from happening in the first place

The best way to fight violent crime is to prevent it from happening in the first place. The Priority City Prevention Initiative is a joint effort by HUD and Justice designed to marry the tough law enforcement activities in the 13 targeted PHA's with a creative, common-sense, two-track prevention and reduction strategy. Once law enforcement makes a public housing complex safe, this effort helps provide local residents with the tools and expertise they need to keep it safe.

Through the Priority City Prevention Initiative, HUD's Office of Crime Prevention and Security will arrange for expert consultants to work directly with public housing authorities in the 13 targeted cities to tailor prevention strategies that best meet their needs. The expert will be on the ground to assist PHA management, facilitate resident meetings, strengthen and establish resident organizations and streamline implementation efforts from one site to the next.

Specific efforts to reduce crime include:

- Training public housing managers in community policing techniques
- Improving security measures, such as gates and security posts
- Creating resident "tipline" programs and other empowerment strategies
- Initiate identification card and parking sticker systems
- Tenant screening and evictions in accordance with "One Strike and You're Out"
- Establishing community liaison officer programs

Similarly, specific activities to prevent crime include:

- Forging partnerships with city agency service providers
- Systematically eliminating graffiti
- Getting the trash picked up in a timely manner
- Repairing curb and sidewalk damage
- Painting and repairing individual housing units
- Maintaining locks, doors, windows, and safety precautions

3. It provides \$250 million to help empower residents to fight drugs

Often, residents themselves serve as the first and most effective line against crime and drugs in public housing. While law enforcement officers and public housing staff have a primary role to play in reducing crime, experience has shown that residents themselves, who are most directly affected by drugs and drug related crime, can have the most long-lasting effect.

In 1997, HUD will award grants totaling \$250 million in Drug Elimination Grants to empower residents to turn the tide against drugs, drug trafficking, and drug-related crimes in their own communities. These grants will be used for a wide variety of activities, including:

- Employment of security personnel and investigators
- Security, in the form of reimbursements for municipal police services on PHA property or contract security staff
- Physical improvements to enhance security
- Voluntary tenant patrols
- Drug prevention, intervention, and treatment programs
- Security and drug prevention programs operated by resident management corporations, incorporated resident councils, and resident organizations.

These grants are made on the strength of each PHA's self-designated drug and crime prevention program.

4. It coordinates law enforcement efforts to provide maximum protection for our families.

Too often in the past, federal law enforcement agencies have not worked together as best as they could.

Starting in 1994, HUD began an innovative program to coordinate law enforcement activities at the federal, state, and local level. By bringing a coalition of agencies together with public housing officials and local residents, "Operation Safe Home" has led to an unprecedented crackdown on drug and gang activity. In the past three years, it has led to more than 12,000 arrests, \$22 million in illegal drugs seized, 1,600 weapons captured, and more than 1,450 search warrants served. This program also follows criminals beyond the simple arrest, working to identify and follow through on outstanding arrest warrants and parole violations.

HUD's 1998 budget request asks for \$20 million to be invested in this highly successful program, reaching out to 140 communities to prevent crime and make public housing safe.

Success Stories

- **MAY 20, 1997; SAVANNAH, TN:** Thirty-four individuals arrested on felony drug charges following a 6-month "Operation Crack of Dawn" effort for selling crack cocaine and marijuana in and around public housing developments in Savannah and Hardin County. Public housing residents arrested will be evicted under the "One Strike" policy. This operation was conducted by HUD OIG, the Savannah Police Department, Hardin County Sheriff's Department, Tennessee Highway Patrol, and the 24th Judicial District Drug Task Force.
- **APRIL 24 & 28, 1997; MEMPHIS, TN:** The last of 12 defendants has been convicted at trial as a result of Phase I of the Memphis Housing Authority Safe Home operation. The defendant was found guilty of possession, manufacture and sale of crack cocaine and selling drugs within 1,000 feet of the Dixie Homes public housing development. The Memphis Housing Authority investigation was conducted by the FBI, HUD OIG, and the Shelby County Sheriff's Department.
- **MAY 8, 1997; EASTON, PA:** At the request of the Mayor of Easton, DEA, HUD OIG, the Easton Police Department, and the Northampton County Sheriff's Office conducted a 6-month investigation focusing on drug dealing, particularly in and around public housing. In the first phase of the operation, large quantities of crack cocaine were seized along with guns, ammunition, cash and vehicles. Sixty individuals were arrested. In the second phase, 14 individuals were charged with conspiracy to distribute cocaine, including distributing crack cocaine and heroin within 1,000 feet of public housing. Five additional individuals were arrested and will be charged at the state level. Cocaine, marijuana, a handgun and two vehicles were seized.
- **MAY 9, 1997; GLEN COVE, NY:** A multi-agency Operation Safe Home Task Force executed 18 arrest warrants for drug dealers operating in Glen Cove Housing Authority properties. Twenty-two individuals were arrested for drug dealing and violating state parole. Sixteen packets of cocaine were discovered on one of the drug dealers. This Task Force is made up of HUD OIG, US Secret Service, Glen Cove and Nassau County Police Departments, and the New York State Division of Parole.
- **MAY 5, 1997; DALLAS, TX:** Two individuals were arrested under the "Egghouse" (Eliminate Gangs and Guns from Public Housing) Operation Safe Home initiative. Task Force members, working undercover in public housing, had purchased weapons from one of the individuals. Subsequent to the arrests, two machine guns, 91 handguns, 49 rifles, and an undetermined number of shotguns were confiscated, including a handgun identified as the weapon that was used to kill a local police officer. The Task Force, which is working in public housing areas under the auspices of the

Dallas Housing Authority, is composed of ATF, HUD OIG, and the Dallas Police Department.

- **APRIL 9, 1997; COLUMBUS, OH:** A member of the Windsor Terrace Posse, who supplied drugs and guns to the Short North Posse at the Windsor Terrace public housing development, was arrested by ATF and HUD OIG Agents and charged with conspiracy, possession of 50 kilograms of cocaine, distribution of crack cocaine and heroin, and firearms violations. The Windsor Terrace development has been torn down and is being rebuilt as Rosewind Apartments.
- **APRIL 1, 1997; COATESVILLE, PA:** Forty individuals were arrested on state charges of possessing/distributing illegal drugs. This followed efforts by a joint Task Force made up of the DEA, HUD OIG, and state and local police. The Task Force was formed in response to the high volume of drug trafficking and drug related shootings in and around Coatesville subsidized housing developments over the last year.
- **MARCH 21-31; LOS ANGELES, CA:** The Los Angeles City Housing Task Force arrested 11 individuals on narcotic charges in the Aliso Village, Pico Gardens, William Mead, Nickerson Gardens, and Dan Strand public housing developments. Over 90 grams of PCP, 4 grams of methamphetamine, 18 grams of marijuana, ½ gram of rock cocaine, and 2 grams of powder cocaine were seized. The Task Force is made up of the Los Angeles Housing Authority Police Department and HUD/OIG.
- **MARCH 13, 1997; OMAHA, NE:** Special Agents from the ATF Omaha Achilles Group and HUD/OIG, along with Gang Unit Officers from the Bellevue and Omaha Police Departments, arrested two individuals as part of a long-term undercover investigation of the Lomas Street Gang, active in housing developments of the city. The gang is a violent, profit-motivated group of over 200 members operating throughout Omaha and have been responsible for numerous drive-by shootings and robberies in and around public and assisted housing. The Lomas Street Gang was successfully infiltrated by an undercover HUD OIG Agent posing as a weapons and explosives source. Over the next year, the Agent participated in several activities with gang members and their drug suppliers. On March 13, Agents and Officers successfully conducted two successive "reverse sting" operations, leading to the two arrests. Following the arrests, Agents and Officers seized approximately 44 pounds of marijuana. Undercover contacts revealed that many of the gang members have also engaged in international drug smuggling.
- **DECEMBER 17, 1996; BRONX, NY:** Sixty-one persons were arrested at Jose de Diego Beekman, a 1,300-unit HUD assisted housing development. Those arrested were members of twelve drug gangs who, in one day, distributed over \$100,000 worth of heroine, cocaine and crack in the development and the surrounding neighborhood. The gang members are allegedly responsible for 18 murders since 1989. Seizures included 1,200 vials of crack, 891 glassines of heroin, 88 tins and 17 bags of cocaine, 9 bags of marijuana, and 5 weapons. This 90 day investigation was conducted jointly with the New York City Police Department, ATF, FBI, HUD OIG, and other federal, state and local law enforcement agencies.

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Questions and Answers

June 4, 1997

VPOTUS, AG Reno, Sec. Cuomo Event

Q: What is at the core of today's event announcement?

A: Today's package provides the tools communities need to fight crime and drugs in public housing, in four ways: First, it intensifies law enforcement activities in the "worst of the worst" -- the 13 cities with some of the most troubled public housing authorities in America; Second, it complements those same enforcement activities with an equally aggressive prevention strategy; Third, it provides \$250 million to support local efforts to fight crime and drugs; and Fourth, it calls for \$20 million to strengthen HUD's Operation Safe Home, an innovative partnership between federal, state and local government law enforcement agencies.

Q: How does today's announcements work with "One Strike."

A: "One Strike and You're Out" was announced by President Clinton at his January 1996 State of the Union Address as a major national crime prevention initiative for public housing. "One Strike" gave Public Housing Authorities the ability, for the first time, to terminate tenant leases for criminal and drug-related activity and screen out resident applicants who have a criminal history.

The initial results of "One Strike's" implementation are extremely promising. A recent survey revealed that 76% of Public Housing Authorities have implemented "One Strike" in their communities. Drug-related convictions are up 34% in the six months since "One Strikes" implementation and drug related admission denials are up 80%. Currently, 31,750 individuals are barred from entering public housing premises due to criminal or drug-related activity.

Today's announcement is designed to build on "One Strike." The strategy has two simple parts: sweep out drug dealers and criminals, then prevent them from coming back. "Get Tough. Help Families" strikes a balance between law enforcement and crime prevention. Above all, it seeks to meet the challenge made by President Clinton in his second inaugural address: to provide safe neighborhoods for children to grow up in.

Q: What can you tell me about the fingerprinting of potential public housing residents pursuant to "One Strike."

The 1996 Housing Opportunity Extension Act called for a "One Strike and You're Out" occupancy provision for public housing authorities. This law strengthened public housing authorities' existing ability to exclude, and in some cases evict, from public housing those persons who engage in criminal behavior. To support "One Strike's" screening out of criminals from living in public housing, HUD and DOJ agreed to provide housing agencies access, through fingerprint matches, to the FBI's National Crime Information Center (NCIC) data.

The fingerprint checks will only be done on those situations where a preliminary name check of a public housing applicant reveals a criminal history.

In order to fully implement this screening system, HUD and the FBI will establish several fingerprint channeling entities responsible for processing fingerprint matches for screening purposes on behalf of public housing authorities. The channeling entities will receive fingerprint cards from public housing authorities, review the fingerprint cards, screen the fingerprint cards for quality, process checks and batch the cards to the FBI. The FBI will provide the criminal history information directly to the public housing authority -- not the channeling agency.

Q: What is your response to the situation in the San Francisco Housing Authority where there have been racial attacks on Asian families?

A: The situation at the San Francisco Housing Authority is deplorable and will be stopped. After I learned about the attacks earlier this week, I instructed Mercedes Marquez, the Deputy General Counsel at HUD and one of the most well respected civil rights advocates in California, to personally handle the situation. Ms. Marquez is already working with people in San Francisco. She personally will be going there next week. I will not tolerate any racially motivated attacks at public housing authorities.

Q: Is the focus of "Get Tough, Help Families" law enforcement or prevention?

A: It does both. This package strikes a balance between the need for strong punishment and the need for strong prevention. It promotes partnerships between law enforcement agencies and tenant organizations. It reaches out to young people and provides alternatives to crime and drugs.

Q: Has the DOJ/HUD Priority City Initiative been successful?

A: The DOJ/HUD Priority City Initiative was kicked off last year in six pilot cities. The success in those cities in just a short time has been very good. Violent criminals and guns, drug dealers and narcotics have been taken off of the streets. The reason we are expanding this program to 13 cities is because of the strong success enjoyed by the original six cities.

Q: What is the difference between the DOJ/HUD Priority City Initiative and Operation Safe Home?

A: The DOJ/HUD Priority City Initiative looks to clean crime and drugs out of those 13 troubled public housing authorities considered to be amongst the worst of the worse in the country. They were chosen on the basis of their having a high incidence of crime and a deteriorating quality of life for the residents. Operation Safe Home operates in all across the country -- 140 communities in all. It is designed to promote coordination between federal, state and local law enforcement agencies. Thus far, Operation Safe Home has resulted in over 12,000 arrests and \$20 million of drugs seized.

Q: How is a community picked to be a priority city?

A: The 13 cities were chosen on the basis of their having a high incidence of crime and a deteriorating quality of life for the residents.

Q: How can a city or PHA secure a Drug Elimination Grant?

A: The Drug Elimination Grants were made publicly available in the Federal Register on May 23rd. These grants are made available to PHAs on the basis of the strength of each PHAs self-designated drug and crime prevention program.

THE WHITE HOUSE

Office of the Vice President

For Immediate Release:
June 4, 1997

Contact: (202) 456-7035

STATEMENT OF THE VICE PRESIDENT

ON THE HOUSE WAYS AND MEANS

SUBCOMMITTEE WELFARE PROPOSAL

I am very concerned about how the proposed Republican amendments to the welfare law would affect disabled legal immigrants. The amendments are harsh, unfair, and unnecessary, and they violate the terms of the bipartisan balanced budget agreement by failing to restore a minimal safety net for these individuals.

The Republican proposal is unfair to families of limited means. In failing to restore benefits for SSI beneficiaries whose sponsors have incomes over 150 percent of the poverty level, it would cut off 100,000 severely disabled immigrants who would receive benefits under the budget agreement. A family of four with an income as low as \$24,000 would have to fully support a person with a severe disability.

The Republican proposal also fails to protect SSI and Medicaid benefits for legal immigrants who were in the United States as of August 23, 1996 and later become disabled. As a result, it violates a key provision in the budget agreement that was designed to target assistance to the most vulnerable individuals.

The provisions affecting disabled legal immigrants were an important element of the budget agreement, and the Administration worked hard to secure them. We expect both sides

to adhere to them.

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Message Sent To:

THE WHITE HOUSE

Office of the Vice President

FOR IMMEDIATE RELEASE

Contact: (202) 456-7035

Thursday, June 5, 1997

VICE PRESIDENT ANNOUNCES WELFARE-TO-WORK COMMITMENTS OF DEPARTMENTS, MAJOR AGENCIES

Washington, D.C. -- Vice President Al Gore today (6/5) announced the commitment of each Cabinet department and major agency to hire specific numbers of welfare recipients over the next four years.

The commitments, outlined in the Vice President's new pamphlet -- *Federal Welfare-To-Work Commitments, A Report to President Bill Clinton* -- will ensure that the Federal Government meets the President's goal of hiring 10,000 welfare recipients over the next four years.

"All employers, including the federal government, have a role to play in moving people from welfare to work," the Vice President said. The report which I am releasing today demonstrates how the Federal government will do its fair share and lead by example."

The report stresses four elements necessary for any organization to succeed in hiring and retaining welfare recipients.

- **A leadership commitment tailored to the mission and culture of the organization.** Energy Secretary Frederico Peña, for example, is holding a one-day workshop of his department's managers. Defense Secretary William Cohen has committed to hire 1,600 welfare recipients and will send a personal request to individual leaders in the contractor community.
- **Recruitment strategies that target the right person for the right job.** Agencies will send job announcements to social service offices, private industry councils, and one-stop career centers. Interior Secretary Bruce Babbitt will build on the success of current programs like the Youth Conservation Corps and the recruitment strategies of the Bureau of Indian Affairs, and he has outlined a recruitment process that identifies eight work categories and associated skills needed for them.
- **Retention policies like supervisory training, mentoring, child care and transportation support.** Labor Secretary Alexis Herman has created a free resource guide and training packages for those hiring welfare recipients and has offered to provide technical assistance in the field. This training was developed by studying the best practices of the most successful welfare-to-work programs in the country.

- **A commitment to leverage hiring with partners in the public and private sectors.** Transportation Secretary Rodney Slater is encouraging private sector transportation employers to make a commitment to hire welfare recipients.

On May 29, the Vice President announced the creation of a Welfare-to-Work Coalition to Sustain Success that will help welfare recipients keep the jobs they find. Studies have shown that large numbers of welfare recipients lost the jobs they get within 12 to 16 months. Working with federal and state offices, private organizations, and business, members of the coalition will identify available resources and provide support that new workers need most to retain jobs -- mentoring, advice, and other support.

Copies of the report are available by calling the National Performance Review at (202) 632-0150 or on the website (w2w.fed.gov).

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Talking Points on Tobacco Settlement Talks

- o The Administration is closely monitoring the settlement talks among the tobacco industry, state attorneys general, public health groups, and private lawyers. Any agreement would have to be passed by the Congress and signed by the President.
- o We will carefully review any settlement that emerges from the discussions, and we will seek the advice of the public health community. As the President has said, in reviewing any settlement proposal, our focus will stay squarely on protecting kids and the public health.

Q: Would you support a settlement that caps punitive damages? That seems to be the key stumbling block.

A: I'm not going to speculate on any particular aspects of a potential settlement. The Administration proposed the toughest measures ever to protect children from tobacco, and we are fighting in the courts to see that those restrictions take effect. Our focus in reviewing any settlement will stay on protecting kids and the public health. The President has made it clear he is not going to agree to anything with respect to tobacco that jeopardizes the public health.

Q: Senator Lott and others are urging quick closure to the talks. They say that the window of opportunity is closing. Is the Administration trying to help close the deal?

A: No. Because any settlement will have a profound and lasting impact on the public health, the Administration will have to consider a settlement in a careful and thorough manner. There will be no rush to judgment and no precipitous action. We are not going to take a position on a proposal until the Administration and the public health community have fully reviewed it.

June 5, 1997 - Budget Q &A

Q: WHAT IS YOUR RESPONSE THE REPUBLICAN ATTEMPTS TO DEVIATE FROM THE OUTLINE OF THE BUDGET AGREEMENT?

A: We expect the Republicans in Congress to honor the agreement we reached just last month.

- **They should keep their word just as the President has honored his word -- even when it has been difficult.** The Kennedy-Hatch proposal is a perfect example. The President is very sympathetic to what that proposal. Nontetheless, the President recognized that it was outside the agreement and honored his word. Now, Republicans in the House are explicitly violating provisions in the actual text of the agreement.
- **To the extent Republicans put forth provisions that betray the agreement, we will call them on it and expect them to move quickly to correct these deviations.** From the start, there have been good faith efforts on both sides. The President and the congressional leadership entered into an honorable agreement that was passed with strong bipartisan majorities in both Houses. We and the American people fully expect that they will honor that agreement.

FOLLOW-UP

Q: WILL THE PRESIDENT VETO THE RECONCILIATION IF, FOR EXAMPLE, THE IMMIGRANT PROVISIONS ARE NOT CHANGED?

A: It is premature to throw the word "veto" around. We are at the early stage of the reconciliation process.

- **We expect that the Republicans in Congress to honor the agreement.** That is fairly straight forward.

Q: IT IS BECOMING CLEARER EVERY DAY THAT THERE IS NO SUPPORT IN EITHER PARTY FOR THE PRESIDENT'S EDUCATION TAX CUT PROPOSALS. WILL THE ADMINISTRATION ACCEPT ALTERNATIVE EDUCATION PROPOSALS?

A: I do not think that's right. First of all, and most importantly, there is strong support for the President's education tax cuts among parents and students. We halso have support in Congress, and most importantly, the agreement we reached specifically sets aside \$35 billion for the President's education tax cuts.

It is hardly surprising that members of Congress will focus on pushing this or that pet project, but the agreement calls for the President's education tax proposals, not theirs.

- **It is instructive to go back and read what is part of the agreemeent, what the Speaker and Senate Majority Leader put in writing to the President:** *"it was agreed that the package must include tax relief of roughly \$35 billion over five years for post-secondary education, including a deduction and a tax credit. We believe this package shoild be consistent with the objectives put forward in the HOPE scholarship and tuition tax proposals contained in tghe Administration's FY 1998 budget to assist middle class parents?*
- **We have responded to constructive criticisms of our proposals.** We have adjusted the scholarship to ensure that more lower income students will be benefit from it. And we have dropped the B average requirement. These changes are have improved the proposals in the eyes of many and enhanced the support of these important tax cuts that make it easier for parents to send their kids to college.

Q: WHAT IS YOUR RESPONSE TO THE ATTEMPT BY THE HOUSE REPUBLICANS TO CHANGE THE IMMIGRANT PROVISIONS?

A: The provisions on affecting immigrants being advanced by Republicans on the House Ways and Means Committee, as the Vice President said, "violate the terms of the balanced budget agreement."

- **These provisions were negotiated in painstaking detail and were put in writing.** In black and white, the agreement on Page 22 clearly states, "Restore SSI and Medicaid for all disabled legal immigrants who are or become disabled." It's right there, "are or become." The House leadership might want to show this agreement to some of their chairmen.
- **We expect the Republicans in Congress to honor the agreement. We expect them to fix these provisions.**

LEGAL IMMIGRANTS

The Ways and Means Subcommittee's proposed amendments to the welfare law violate in two ways the negotiated, bipartisan budget agreement policy to restore a minimal safety net for disabled *legal* immigrants.

The Ways and Means Subcommittee proposal fails to restore benefits for SSI beneficiaries currently on the rolls whose sponsors have income over 150% of the poverty level.

- **THE WAYS AND MEANS SUBCOMMITTEE PROPOSAL WAS NOT PART OF THE BIPARTISAN BUDGET AGREEMENT.** This proposal to severely limit the restoration of benefits to legal immigrants was not contemplated by the bipartisan budget agreement.
- **THE WAYS AND MEANS SUBCOMMITTEE PROPOSAL WOULD CUT OFF 100,000 SEVERELY DISABLED LEGAL IMMIGRANTS WHO WOULD RECEIVE BENEFITS UNDER THE BIPARTISAN BUDGET AGREEMENT.** This is one-third of the individuals whose benefits we agreed to restore in the budget agreement.
- **THE WAYS AND MEANS SUBCOMMITTEE PROPOSAL IS UNFAIR TO FAMILIES OF LIMITED MEANS.** Under this proposal, a family of four with an income as low as \$24,000 would be called upon to fully support a person with a severe disability.
- **DISABLED LEGAL IMMIGRANTS MAY NOT BE ABLE TO CALL ON THEIR SPONSORS FOR HELP.** More than half of disabled legal immigrants currently receiving benefits have been in the U.S. for over 15 years, and so they may find it difficult even to locate their sponsors. Since sponsorship agreements were not legally binding in the past, a disabled legal immigrant whose sponsor refuses to provide support would have no legal recourse and no source of income.

The Ways and Means Subcommittee's proposal would restore SSI and Medicaid benefits only to immigrants (both the disabled and non-disabled elderly) *already receiving* benefits prior to August 23, 1996; by contrast, the bipartisan budget agreement policy restores SSI and Medicaid benefits to *any* immigrant *in the country* as of that date who is or becomes disabled. This policy targets assistance to the most vulnerable individuals.

- **THE WAYS AND MEANS SUBCOMMITTEE PROPOSAL IGNORES VULNERABLE IMMIGRANTS WHO BECOME DISABLED AFTER AUGUST 22, 1996:** This proposal abandons many legal immigrants who were in the U.S. when the welfare law was signed but become severely disabled after that date. In contrast, the bipartisan budget agreement protects these immigrants.

Example: A legal immigrant family entered the country 3 years ago. Both the father and mother have worked full-time since then, and have an annual income of about \$25,000, but neither job provides health insurance for themselves or the family. Their 5 year-old son becomes severely disabled in a car accident next year. Under the budget agreement, he would be eligible for SSI and Medicaid; under the Ways and Means Subcommittee's proposal he would be denied SSI -- and potentially denied Medicaid. *(This example assumes the parents would rapidly "spend-down" due to hospital bills and become income-eligible for SSI and Medicaid.)*

Question: Doesn't the Ways and Means Subcommittee proposal treat the elderly better than the Administration's proposal, while the Administration's policy favors the disabled? Isn't this really a wash?

Answer: The parties to the budget agreement already made the decision about where limited resources should be targeted. The agreement explicitly states the policy of restoring SSI and Medicaid eligibility to immigrants who are or become disabled and who are in the U.S. as of August 22, 1996. This is one of the specific policies agreed to between the President and the Congressional leadership.

The Administration believes that the budget agreement appropriately targets the most vulnerable individuals. It provides for all immigrants in the country when the welfare law was signed who have suffered -- or may suffer in the future -- a disabling accident or illness. At the same time, the agreement will result in restoring benefits to a full 80% of the caseload as of August 22, 1996 -- including all of the disabled as well as the two-thirds of the elderly caseload who would meet the disability eligibility requirements needed to retain coverage.

JUN 04 '97 05:19PM

15:15

P. 3/4

LEADERSHIP COUNCILof..... AGING ORGANIZATIONS

June 5, 1997

The Honorable William Archer
1102 Longworth House Office Building
Washington, DC 20510

Dear Chairman Archer:

The undersigned members of the Leadership Council of Aging Organizations (LCAO) are deeply concerned about the extent to which legal immigrants will be harmed under the welfare reform law enacted in August of last year. The law cut \$22 billion in services to immigrants legally here who played by the rules -- a full 44% of the cuts in the overall legislation. We believe that these benefits should be restored, and will continue to urge the Congress to act as swiftly as possible to reinstate them.

We believe that the budget agreement between Congress and the White House, which proposes to reinstate \$9.7 billion in Supplemental Security Income (SSI) to immigrants with disabilities, represents significant progress. By aiding immigrants with disabilities who were in the U.S. at the time of the law's enactment, including those who were in the country on that date and who become disabled in the future, this agreement will at least serve those with the most severe needs whose lives literally depend on SSI. This is an important step; at a minimum, final action by the Committee must preserve access to SSI for all of these individuals.

We also remain concerned about the fate of elderly immigrants who rely on SSI for their survival, and immigrants who will come in the future and will face extraordinary hardship due to a crisis in their own -- or their sponsors' -- lives. As the Committee continues the budget reconciliation process, we strongly urge that you identify additional resources to preserve SSI eligibility for all legal immigrants. We will not, however, support any reductions in benefits to immigrants with disabilities in order to provide them to other groups of immigrants.

409 Third St. SW, Washington, DC 20024
www.ncoa.org/lcao

JUN 04 '97 05:20PM '97

15:15

P.4/4

Sincerely,

AARP

Alzheimer's Association

AFSME Retiree Program

American Association of Homes and Services for the Aging

American Geriatrics Society

Asociacion Nacional Pro Personas Mayores

Association of Jewish Aging Services

Association for Gerontology in Higher Education

Association for Gerontology and Human Development in Historically Black Colleges and Universities

B'nai B'rith Center for Senior Housing and Services

National Asian Pacific Center on Aging

National Association of Area Agencies on Aging

National Association of Retired Federal Employees

National Association of State Units on Aging

National Caucus and Center on Black Aged, Inc.

National Council of Senior Citizens

National Council on the Aging, Inc.

National Hispanic Council on Aging

National Osteoporosis Foundation

Older Women's League

CLINTON ADMINISTRATION HIGHER EDUCATION TAX PACKAGE

June 4, 1997

The Clinton Administration is proposing several changes in its higher education tax proposals that will make them more progressive, simpler, and respond to concerns raised by others. The President's HOPE Scholarship Tax Credit for the first two years of college and \$10,000 Tuition Deduction for life-long education and training will cost \$35 billion over 5 years. The additional education and training tax proposals will be paid for outside this \$35 billion. The Administration is making the following changes in its higher education tax package:

1. Allow more students to receive both a HOPE Scholarship and a Pell grant.

To allow lower-income students to benefit more from the HOPE tax credit, their HOPE tax credit will not be reduced by the amount of their Pell or other federal grants.

2. Require satisfactory progress rather than a B average to receive a second HOPE tax credit.

To allay concerns about grade inflation and IRS intrusion into academic affairs, this package eliminates the requirement that students maintain a B average in order to be eligible for a second HOPE tax credit, and instead requires students to meet the current satisfactory progress requirements used for eligibility for existing federal student aid programs.

3. Pay for changes by phasing in the proposals more slowly.

The total cost of the \$1,500 HOPE tax credit and \$10,000 tuition deduction will be \$35 billion over 5 years.

4. Restore Student Loan Interest Deduction

To provide additional assistance to families borrowing money for higher education, the package reinstates the tax deductibility of interest on any student or parent higher education loan. This deduction was eliminated by the 1986 Tax Reform Act.

5. Provide Tax Relief for Employer-Provided Education: Extend Section 127 & Establish a New Small Business Tax Credit

President Clinton's FY98 Budget proposed extending the exclusion of the first \$5,250 of employer-provided graduate or undergraduate educational assistance from employee taxable income (Section 127) and establishing a new 10% tax credit for small businesses that provide their employees with education and training. This package extends Section 127 through at least 2002 and establishes the President's

Race Initiative

Press Guidance

June 5, 1997

- * Reports in today's newspapers offer an accurate snapshot of some of elements of the President's initiative on race. We are not in a position today to layout all of the elements - that will become available next week.
- * As we have spoken about previously, the President will use his commencement address at University of California to discuss his initiative on race relations. The President will use time over the next year to focus on how America will deal with racial issues as we move into the 21st century.
- * We are engaged in ongoing consultations with leaders around the country, both seeking input and briefing on the President's plans, and we are confident that the President's initiative will be greeted enthusiastically next week when he speaks in San Diego.

Lockhart

Press Guidance
June 5, 1997

Tobacco Settlement Talks

- o The Administration is closely monitoring the settlement talks among the tobacco industry, state attorneys general, public health groups, and private lawyers. Any agreement would have to be passed by the Congress and signed by the President.
- o We will carefully review any settlement that emerges from the discussions, and we will seek the advice of the public health community. As the President has said, in reviewing any settlement proposal, our focus will stay squarely on protecting kids and the public health.

Q: Would you support a settlement that caps punitive damages? That seems to be the key stumbling block.

A: I'm not going to speculate on any particular aspects of a potential settlement. The Administration proposed the toughest measures ever to protect children from tobacco, and we are fighting in the courts to see that those restrictions take effect. Our focus in reviewing any settlement will stay on protecting kids and the public health. The President has made it clear he is not going to agree to anything with respect to tobacco that jeopardizes the public health.

Q: Senator Lott and others are urging quick closure to the talks. They say that the window of opportunity is closing. Is the Administration trying to help close the deal?

A: No. Because any settlement will have a profound and lasting impact on the public health, the Administration will have to consider a settlement in a careful and thorough manner. There will be no rush to judgment and no precipitous action. We are not going to take a position on a proposal until the Administration and the public health community have fully reviewed it.

Per Elizabeth Drye, DPC
approved Kagan (and awaiting Lindsey approval)

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

June 4, 1997

**STATEMENT BY THE PRESIDENT
ON SUPPLEMENTAL DISASTER LEGISLATION**

In moving ahead on this flawed legislation, the Republican leadership is once again delaying the disaster assistance needed by people and communities in the Dakotas, Minnesota, and 30 other States. With individuals, families, and businesses awaiting the assistance they need to rebuild, I urge the Republican leadership to set politics aside and pass a clean disaster assistance bill.

If the Republican majority is set on this course of adding contentious and extraneous provisions, they should send me this bill as quickly as possible. I will veto it as soon as it arrives, and send it back so they can send me a clean disaster assistance bill immediately that keeps aid flowing to those in need. Americans in need should not have to endure this unnecessary delay.

-30-30-30-

THE WHITE HOUSE

Office of the Press Secretary

June 5, 1997

For Immediate Release

STATEMENT BY THE PRESIDENT ON FEC PETITION

Today, I have asked the Federal Election Commission to act, within its current legal authority, to end the soft money system. Currently, both parties compete to raise large sums from corporations, individuals and labor unions. There is too much money in politics, and the problem worsens with every election. This escalating arms race must stop, and I am determined that we will reform campaign finances, by every means we can.

Such an action by the FEC cannot be a substitute for comprehensive campaign finance reform legislation, which is currently before the Congress. In my State-of-the-Union Address, I challenged Congress to act by July 4th and pass bipartisan reform. That deadline is now one month away, and there is still time for Congress to move forward on this priority. I call on Congress to pass legislation that institutes voluntary spending limits, provides free broadcast time to candidates who abide by those limits, restricts special interest contributions, addresses independent expenditures, and bans soft money.

It is clear that the current campaign finance system has been overwhelmed by an unprecedented volume of money. If we are to restore the public's faith in our institutions and the political system, we must reform the campaign finance system. This request to the FEC makes clear my determination that, one way or another, we will see reform, and we will end the soft money. I want to work in the coming days with members of Congress to pass bipartisan and comprehensive campaign finance reform.

6/4/97

Press Guidance
June 4, 1997

COMP TIME

Q: What's the latest on comp time?

A: Our position hasn't changed. We want responsible comp time legislation.

We continue to have concerns about S.4, the Ashcroft bill: it undermines the 40 hour work week and will amount to a pay cut for some workers; it allows employers to unilaterally pick and choose which employees get offered comp time and it fails to guarantee real employee choice. The Senate Democrats are united in their opposition to S.4 and along with D'Amato and Specter they rejected a cloture petition on S.4. *JS*

We're going to continue to work with the Senate Dems and have had some staff level discussions= with the Republicans during which we reiterated our concerns with the Ashcroft bill.

Siewert

Press Guidance
June 5, 1997

IRS

In anticipation of the release of a report by the IRS Commission on Restructuring, a proposal to remove the IRS from executive branch oversight and place it largely under the control of a board of private citizens. The Administration is opposed to this idea. Larry Summers yesterday delivered a speech hitting this point. (Looks like they will have a vote on this today. Likely elements could leak this afternoon. There is the possibility of a Rubin statement if appropriate).

- As we have said in the past, it is important that the governance of the IRS remain within the government.
- Having said that, we do not want to prejudge the report which has not yet been released.

The following points were highlighted by Summers yesterday:

- Separating the IRS from direct executive control would undermine accountability and tax policy effectiveness.
- Practical difficulties and conflict of interest issues would make such an arrangement difficult.
- Such a board would present grave law enforcement issues that could lead to constitutional challenges.
- These proposals pose an unacceptable risk to our revenue stream.

Rossotti as IRS Commissioner:

Mr. Rossotti is a skilled manager and businessman. He embodies many of the qualities that we have sought out for this position. We will make an announcement at an appropriate time. (Resume is attached).

IRS fined for punitive and compensatory damages in violation of privacy case:

~~It is a matter of long-standing policy that we do not comment on matters of this nature. Refer inquiries to the IRS.~~ (Treasury will forward updated language)

DOS - Govt Atty in case
Mellody per M Smith @ Treasury

Press Guidance

June 5, 1997

TV RATINGS

Q. Would the Administration support changing the ratings system to include additional ratings for sex, violence and language (S,V,L ratings)?

A. When the President announced the voluntary industry ratings system last year, he said that it was now up to the parents to let the industry know if the ratings they put in place were working. Many parents and others have responded that they would prefer a more detailed ratings system. As was reported, some in the industry have responded to this suggestion and will be adding S,V, and L ratings to their current ratings system. Clearly some in industry believe that parents have spoken. We look forward to working with parents groups and industry to ensure that a ratings system that truly serves the public is created.

Q. With the split in the industry, isn't it possible that we end up with an alphabet soup with different broadcasters choosing different ratings systems and won't that hurt the effectiveness of the v-chip?

A. A uniform rating system would bring advantages to both parents and industry. That's why we look forward to working with parents groups and industry to ensure that the ratings system serves the public interest.

Q. Does the FCC have the authority to force the other broadcasters to comply with the additional ratings?

A. The FCC will be holding hearings later this month on TV ratings. Under the 1996 Telecommunications law, the law requires the FCC to convene an advisory committees after one year if the industry has not developed an "acceptable" ratings system. The Advisory Committee would develop a rating system that the industry could use if they use a ratings system at all. The FCC is expected to determine whether or not the system is acceptable and/or make recommendations to the industry.

Silverman

per Jim Kohlenburger/OVP

Talking Points on Cloning

Background

On Saturday, June 7, the National Bioethics Advisory Commission (NBAC) is expected to complete its review of cloning issues. In its draft final report, NBAC concludes that it is morally unacceptable for anyone to attempt to create a child using the technology that created Dolly the sheep. NBAC also concludes, however, that the cloning of DNA sequences, cell lines, and tissues (which do not involve the creation of entire human beings) are scientifically important and not ethically problematic. NBAC chose not to address the creation of embryos; its draft report neither sanctions nor condemns the cloning of embryos.

NBAC's draft final report calls for carefully-worded legislation prohibiting anyone from "attempting to create a child through somatic cell nuclear transfer techniques." The Commission recommends a sunset provision and further review of the issues by an oversight body prior to the sunset date. The Commission will vote on this recommendation at its public meeting Saturday, and the President is scheduled to announce legislation implementing NBAC's proposal in a White House ceremony Monday, June 9th.

TALKING POINTS

- o On Saturday, the National Bioethics Advisory Commission is scheduled to conclude its review of the ethical and scientific issues raised by possible human cloning. The President expects to receive NBAC's final report soon. We look forward to receiving and reviewing the Commissions recommendations.
- Q. **The Washington Post reported Wednesday that NBAC will recommend a legislative ban on creating a child through cloning but that the proposed ban won't cover the creation of embryos using this technology. Where does the President stand? Does he think we should allow cloned embryos?**
- A. The President is very concerned about using this new technology to clone human beings. He is deeply troubled by the prospect that it might someday be possible to create a child from one's own genetic material. That is why he asked NBAC to review the issue.

The question of creating embryos for research -- as opposed to creating a child -- is a separate question that raises distinct scientific and ethical issues. The President has already acted in this area. In 1994 he directed the National Institutes of Health not to fund the creation of human embryos for research purposes. Congress has also placed restrictions on the use of federal funds for embryo research.

As you know, NBAC has not issued its final report, and the President has not yet reviewed their recommendations. We will have more to say about it after he has reviewed it.

Talking Points

Government Performance and Results Act Pilot Projects

June 3, 1997

Background:

- The General Accounting Office (GAO) yesterday released a report evaluating the first round of pilot projects being conducted under the Government Performance and Results Act (GPRA).
 - These three-year-old pilots focus on performance management — specifically, agency preparation of annual performance plans.
- Under GPRA, agencies are required to send the first of their annual performance plans to OMB in September.
 - These plans will be forwarded to Congress along with the President's fiscal 1999 budget in February.
 - Agencies are required to submit strategic plans to OMB in September as well, which will be forwarded to Congress.

Message:

- GAO has concluded that the pilots "achieved mixed results, which will lead to highly uneven government-wide implementation of GPRA in the fall of 1997."
 - GAO predicts that both the strategic plans and the annual performance plans "will not be of a consistently high quality or as useful for congressional and agency decision-making as they could be."
- We believe that the pilots have enabled the agencies and OMB to gain valuable experience in preparing annual performance plans.
 - We have seen general improvement in the pilots' ability to set goals and measure and report performance against these goals.
 - OMB has initiated an ongoing review of the performance goals that agencies proposed to include in their performance plans.

- We believe that the agencies are engaged in a serious effort to comply with GPRA, and we expect them to produce useful and informative strategic and performance plans this fall.
 - When implemented, GPRA will provide a vehicle by which agencies will be able to articulate for the public, as well as Congress, their basic mission, goals, and objectives – as well as the results they are achieving.
- Submission of strategic and performance plans is the start of the dialogue about performance, not the end of it.

Agencies Are Having Difficulty Measuring Success, GAO Finds

Report Predicts 'Uneven' Implementation of 1993 Law

By Stephen Barr

Washington Post Staff Writer

The General Accounting Office issued a 116-page report yesterday that found many federal agencies have trouble answering the question: "What are we accomplishing?"

The question is one of the keys to fulfilling the intent of the 1993 Government Performance and Results Act, but the GAO said its studies show the first round of pilot projects set up under the law "achieved mixed results, which will lead to highly uneven government-wide implementation in the fall of 1997."

Agencies will likely meet the September deadline stipulated in the Results Act for filing strategic plans and annual performance goals, it said. But the Hill auditing agency predicted "those documents will not be of a consistently high quality or as useful for congressional and agency decision-making as they could be."

The Results Act, also known as GPRA, seeks to improve the efficiency and effectiveness of federal programs through the creation of a system for setting goals and measuring outcomes to determine if program objectives are being met. The law has taken on increasing importance in recent months as the Congress and White House seek to eliminate duplicative or wasteful programs, cut spending and balance the federal budget.

Congress and President Clinton, who signed the law as part of his "reinventing government" initiative, hope GPRA will provide a framework to improve the management and accountability of government agencies. House Republicans, led by Majority Leader Richard K. Arney (Tex.), have set up teams to consult with agencies on how to measure program performance, while the Office of Management and Budget established an inter-agency group to share GPRA information.

"GPRA is critical to government being able to do its job in an era of downsizing," Senate Governmental Affairs Committee Chairman Fred D. Thompson (R-Tenn.) said yesterday. But, he added, "The GAO report shows that the administration needs to rededicate itself to truly providing a government that works better and costs less."

John A. Koskinen, the OMB deputy director who oversees GPRA for the White House, said, "While I understand that there will be those disappointed that not everyone is using performance information today... the presentation of the first strategic plans to the Congress and the public in September, is the start of the dialogue about performance, not the end of it."

To give federal agencies time to develop GPRA procedures, Congress laid out a seven-year timetable for the law's implementation.

To test the law's requirements, the administration established more than 70 pilot projects to focus on the preparation of annual performance plans and reports. The pilots covered an estimated \$50 billion worth of federal programs and involved a quarter of the executive branch work force.

GAO, in reviewing the pilot projects and other efforts to comply with the law, found federal agencies face several challenges:

- Overlapping and fragmented programs such as student loans and economic development. Although agencies administering such programs coordinate their efforts, the GAO said split responsibilities "can undermine efforts to establish clear missions and goals. Agencies sometimes face conflicting policy objectives, too. The U.S. Forest Service, for example, seeks to promote timber sales while protecting wildlife.

- Limited or indirect influence in determining whether a program achieves the desired result. Regulatory agencies, scientific research programs and agencies that deliver services through third parties, such as local governments and nonprofits, face difficult challenges, the GAO said.

- Lack of information on program performance. Even when the data exist, the GAO said its studies consistently questioned the quality and accuracy of the information.

- Linking agency performance plans directly to the budget process. A number of programs probably will have to change their structure or procedures to link program goals and taxpayer dollars, a prospect the GAO predicted will plunge Congress and agencies into a "time-consuming and difficult process."

Despite the uneven start, the GAO report noted a few agencies have adopted a disciplined approach to setting goals and measuring their performance. It cited the Coast Guard, Veterans Health Administration, Social Security Administration, Food and Drug Administration, the U.S. Mint and the Defense Logistics Agency.

The logistics agency, for example, reduced the delivery time of nearly all medical supplies from 30 days in 1993 to 24 hours today. At the same time, it reduced prices by 73 percent, the GAO reported. Under the revamped procedures, GAO said, the logistics agency reported that it avoided inventory costs of \$95.7 million in fiscal 1995.

The GAO report, "The Government Performance and Results Act: 1997 Governmentwide Implementation Will Be Uneven," will be posted on the GAO's Internet site, www.gao.gov, today. The report's identification number is GAO/GGD-97-109.

The Washington Post

TUESDAY, JUNE 3, 1997

Talking Points

Ozone and Particulate Matter Air Standards

June 3, 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 extensive 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 numerous 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 sources, petroleum, high-tech), public health and environmental organizations.
 - EPA and all of the other agencies are invited to send representatives to these meetings.
 - Lists of attendees are placed in the public dockets at both OMB and EPA.

DEMOCRATIC REPUBLIC OF THE CONGO (EX-ZAIRE)

Q: Anything on Ambassador Richardson's travel to DROC? With whom will he meet? Where is he going?

A: Ambassador Richardson is heading an interagency delegation, which also includes Congresswoman Cynthia McKinney, that will leave tonight for Kinshasa.

He plans to meet with President Kabila in Lubumbashi on Saturday and also hopes to meet with non-governmental organizations.

Other potential stops but have not yet been confirmed.

Q: What does he hope to accomplish?

A: Ambassador Richardson will be engaging with the new leadership of the Democratic Republic of the Congo on issues of interest to both sides, including cooperation to advance stability, prosperity and democracy in the Congo.

This will include political, economic, human rights, humanitarian and other affairs.

He hopes to discuss what useful role the U.S. and international community can play to help the Congolese in their reconstruction and reconciliation efforts.

Q: What is the status of peace talks and fighting?

A: We understand Sierra Leone's neighbors in the Economic Community of West African States (ECOWAS) have sent delegations to Freetown to negotiate with the rebels for a peaceful resolution to the crisis and restoration of the democratically-elected government. The United States supports those efforts and is also using all diplomatic channels to urge the rebels to end hostilities and return authority to the civilian leaders.

Q: What did the OAU summit say about the situation in Sierra Leone?

A: We do not have the full text of the OAU resolution issued in Harare, but understand that the Council of Ministers: (1) strongly condemned the May 25 coup d'etat in Sierra Leone and called for the immediate restoration of constitutional rule; 2) urged African countries and the international community not to recognize or support the new regime; and 3) underscored the need to implement the Abidjan peace agreement between the Kabbah government and the Revolutionary United Front (RUF) rebels.

Q: Does any nation other than Nigeria have troops in Sierra Leone?

A: We believe Ghana and Guinea may have deployed some troops to Sierra Leone to bolster Nigerian forces and help restore order.

Q: Which nations are conducting evacuation? Have any additional Americans been evacuated?

A: Two French frigates evacuated over 700 people from Sierra Leone to Conakry, Guinea yesterday. We are not aware of any other governments evacuating people.

Q: Have any additional Americans been evacuated?

A: French officials reported that there were a small number of Americans evacuated on the French ships yesterday.

Q: Where is the USS Kearsarge? When will it depart the region?

A: The Kearsarge is off the coast of Guinea. It will remain in the area until all evacuees have disembarked and then a final determination will be made about its destination.

- **Secretary Cohen briefed the President yesterday on the Ralston issue.**
- **He made no formal recommendation on a successor to Gen. Shalikashvili. No decision has been made by the President..**
- **The President has very high regard for Ralston. He has been an exemplary vice chairman and an exemplary soldier.**



NEWS RELEASE

**OFFICE OF ASSISTANT SECRETARY OF DEFENSE
(PUBLIC AFFAIRS)
WASHINGTON, D.C. - 20301
PLEASE NOTE DATE**

IMMEDIATE RELEASE

June 5, 1997

No. 289-97

(703)695-0192(media)

(703)697-5737(public/industry)

**STATEMENT BY SECRETARY OF DEFENSE WILLIAM S. COHEN
CONCERNING GENERAL JOSEPH W. RALSTON**

I have recently learned that, several years ago, General Ralston had an intimate relationship with a woman during a time in which he was separated from his first wife, but before they divorced. I have reviewed the circumstances of this relationship with General Ralston personally, General Shalikashvili, and my senior advisors. Adultery can be especially damaging in a military environment; however, military law does not address adultery unless, under the circumstances, the conduct is either prejudicial to good order and discipline in the armed forces or of a nature to bring discredit upon the armed forces. After consideration of all the circumstances of this relationship, I am satisfied General Ralston's conduct was neither prejudicial to good order and discipline nor discrediting to the armed forces. In my view, these events standing alone do not disqualify General Ralston from possible elevation to the position of Chairman of the Joint Chiefs of Staff.

Beyond the issue of whether a violation of military law occurred, I am mindful that leaders of our armed forces are expected to be a source of moral leadership for our forces and our Nation. The credibility to exercise moral leadership within the military does not come from notions of perfection. It comes from the maturity, wisdom, and courage to learn from our human errors, and the character to acknowledge our mistakes honestly and then make things right. I intend to recommend to the President the next Chairman of the Joint Chiefs of Staff within the next week or two. General Ralston was a leading candidate before I learned of these events in his past, and he is still a leading candidate. If I recommend General Ralston to the President, I will do so with full confidence in his character and leadership.

-END-

GERMANY: KOHL VISIT

- **This was the SECOND Filomena's meeting -- they met there in '94.**
- **In '95 Kohl and the President met here, and then Kohl and his staff had private dinner at Filomena's -- so this is the SECOND Filomena's summit, but Kohl has been going there for years.**
- **Last year the President invited Kohl to Milwaukee.**
- **As you can see, there is a pattern of annual bilateral meetings, in addition to the many times the President and Kohl have seen each other at international events. For instance, they saw each other in Paris May 27 for the NATO-Russia Summit and again in The Hague May 28 for the Marshall Plan commemoration (the President mentioned in his speech Kohl's boyhood experience with the Marshall Plan). Kohl and the President will also see each other in Denver and again in Madrid for the NATO Summit.**
- **The relationship is a close and very friendly one. In addition to all these meetings, they talk on the phone fairly often.**
- **Kohl is actually coming to attend a private Marshall Foundation gala event June 5 (POTUS is not going but Sec Albright is). We understand Kohl will say thank you on behalf of Europe at this event. Don't know details of Kohl's program beyond this. It was decided to take advantage of Kohl's planned travel to hold the annual bilateral meeting.**
- **As far as the agenda, they discussed the major foreign policy issues, especially related to NATO in the run-up to the Madrid summit. Expect they will discuss Middle East, and Iran; would also expect Kohl to give POTUS update on European issues.**

HOLBROOKE: FULL TIME?

Q: Will Ambassador Holbrooke work on Cyprus full time?

A: Ambassador Holbrooke will be actively engaged on Cyprus and will keep fully informed of all developments. He will not, however, serve in his new position to the exclusion of his other commitments.

HOLBROOKE: REJECTED JOB

Q: Didn't Holbrooke turn down the Cyprus job before? Why did he change his mind?

A: There has been repeated speculation about the composition of our Cyprus team for some time. What is important here is that with Ambassador Holbrooke's appointment, we are underscoring the commitment of the Administration to pursue a settlement to this historic conflict.

HOLBROOKE AND THE UN

Q: Does Holbrooke's appointment mean the U.S. will pursue its own initiative on Cyprus? Or will Holbrooke back what the UN is doing? If so, will he participate in the upcoming UN talks this July?

A: Ambassador Holbrooke's appointment reflects the priority which this Administration accords the Cyprus issue.

As our announcement noted, we fully back UN-sponsored mediation. The UN Secretary-General enjoys the UN Security Council's mandate on the facilitation of Cyprus negotiations. Ambassador Holbrooke will support the Secretary General's efforts to reconcile the two Cypriot communities.

We understand the UN is still undertaking preparations for the face-to-face talks currently expected to start in July. How the U.S. will interface with these talks cannot be said before final UN arrangements.

HOLBROOKE TRAVEL

Q: Do you have any idea when Holbrooke will travel to the region?

A: I have nothing further on that beyond what is in our announcement.

HOLBROOKE AND DAYTON

Q: Will Holbrooke impose a Dayton-style settlement on Cyprus? Will Cyprus be a "Dayton-II?"

A: All conflicts are unique. The Dayton process was designed specifically for Bosnia.

Cyprus has a very different history, set of issues and players. For any mediation to be successful, these peculiarities must be taken into account. The UN and the U.S. fully appreciate this fact.

Furthermore, we do not believe a solution should be "imposed" on Cyprus. The U.S. seeks a durable political settlement that is acceptable to all parties.

KAZAKSTAN MISSILE SALES TO IRAN

- We do not comment on alleged intelligence information or reports.
- We remain concerned about Iranian efforts to acquire advanced weapons systems and technology; we will continue to work with other countries to prevent destabilizing arms transfers to pariah states.

NATO

Q: Do you expect any changes in French policy toward NATO as a result of the recent parliamentary elections?

A: We believe it would be premature to speculate on any policy changes.

We continue to welcome active French participation in NATO and would warmly welcome a French decision to join the NATO integrated military structure.

The U.S. strongly supports increased European responsibility within NATO including ongoing NATO efforts to develop a distinct European defense and security identity (ESDI) within the Alliance.

We foresee agreement on key elements of ESDI as one of the major accomplishments of the upcoming NATO summit in Madrid.

Q: What about the AFSOUTH command issue?

A: While we support increased European responsibility within NATO, we continue to believe that command of NATO's southern region (AFSOUTH) should remain in U.S. hands due to the strategic importance of the region, the current potential for instability there and the preponderance of U.S. forces in the region, including the 6th Fleet.

We are continuing discussions on these issues with the French and other NATO allies.

French Elections

Q: Any comment on Socialist victory? Possibility of communists in government?

A: Congratulate Socialist leader Jospin. France is key ally and partner for U.S. Prepared to work with his government, as we are with all French governments.

Wide range of issues on which we work with France including foreign policy issues like Bosnia, Middle East. Africa, NATO, global issues like combatting narcotics, crime, terrorism, protection of environment and global economic issues. Expect this cooperation with continue with both President Chirac and new government.

If asked about possibility of Communists in government. dependence of Socialists on Communists for parliamentary majority: Expect to work well with new government, based on common interests and values with France. Participation of Communists would not change this.

INDIA: PRITHVI MISSILES

Q: Has India moved Prithvi missiles to the Pakistan border area?

A: We do not comment on alleged intelligence reports.

Q: If so, what effect will this have on Indo-Pakistani peace talks?

A: Senior leaders of India and Pakistan are engaged in a series of meetings aimed at reducing tensions and have declared their intentions to continue a dialogue to resolve their differences.

An open discussion of both countries' security concerns is of particular importance to a successful dialogue, and we hope this will be one of the central issues for their ongoing discussions.

Q: Has Pakistan deployed Chinese M-11 missiles?

A: We take very seriously reports that Pakistan has received M-11 ballistic missiles from China and are following the situation carefully.

Q: Why haven't we applied sanctions?

A: There has been no determination that a transfer of complete missiles or the missile production technology that would trigger category 1 sanctions under the U.S. missile sanctions law has taken place.

Q: Will the U.S. work to defuse this situation?

A: The United States has long held the view that the deployment or acquisition of ballistic missiles by India or Pakistan would be destabilizing and undermine the security of both countries.

We continue to encourage both governments not to deploy ballistic missiles.

Q: Has the U.S. approached India?

A: We have been in frequent contact with the Indian and Pakistani governments on nonproliferation. Both are fully aware of our position.

GREECE/TURKEY

Turkey claims that Cyprus government is assembling Russian missiles and threats of pre-emptive strike against missile sites:

- President Clerides has assured us he will not begin importing components of SA-10s until at least June of next year. We have no evidence that components are already being imported and no reason to doubt Clerides' assurances.
- We remain opposed to the SA-10 purchase and planned deployment, which we regard as destabilizing. At the same time, we have strongly cautioned Turkey against taking any military action against the missiles.

Possible U.S.-Greece-Turkey trilateral meeting at Madrid in July:

- We know of no plans for such a meeting.

TURKEY -- NEW ELECTIONS CALLED

Q: What is your reaction to the announcement in Ankara that new elections will be held, and that Prime Ministership will be handed over?

A: We have seen a variety of reports that new elections may be held and that there might be a change of prime ministers.

As you know, there has recently been a good deal of political debate in Turkey. The call for elections appears to be another step in Turkey's process of resolving internal political issues.

It is an internal political matter for the Turks to decide, and it would be inappropriate for me to comment any further.

Our views have not changed. We support democracy and secular principles and we expect to work harmoniously with whatever government Turkey's democratic system produces.

ROMANIA-UKRAINE TREATY

- The U.S. warmly welcomes the signing on June 2 of the friendship treaty between Romania and Ukraine.
- The Treaty, which confirms current borders and protects the rights of ethnic minorities, is another welcome example of Europe's new democracies working together to promote good ties, security and tolerance.
- In letters to President Kuchma of Ukraine and President Constantinescu of Romania, President Clinton praised the courageous and far-sighted approach of both nations that led to the successful conclusion of this historic document.
- (If asked). Neither NATO nor the U.S. has made final decisions about the nations that will be invited at the Madrid Summit to join NATO. Certainly, the treaty is another sign of both countries' commitment to the values and standards NATO upholds.
- (If asked). Romania is strongly interested in joining NATO; Ukraine does not seek membership, but supports the process of NATO enlargement for other, interested countries.

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 Europe's security challenges.

- Europe remains a vital American interest. Europe's fate and America's future are joined. We fought two world wars and the Cold War in part to protect the security of Europe and the transatlantic area. Taking wise steps now will strengthen our common security, enhance 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. A NATO that embraces Europe's new democracies -- with capable militaries and a commitment to improve them -- will be better able to fulfill its basic mission.
- 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 help secure the historic gains of democracy in 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. NATO can now do for Europe's east what it did for Europe's west -- provide a secure climate where freedom, democracy and prosperity can grow. Such a Europe would be a stronger and better partner in trade, investment, diplomacy and other aspects of security. While other institutions play a role -- including the European Union, OSCE, and others -- NATO remains the keystone of America's involvement in transatlantic security.
- Bolsters progress toward strong democracies and free markets. Joining NATO helped Italy, Germany and Spain reintegrate into the democratic community. Now, 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 now 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.

3. Enlarging NATO will encourage prospective members to resolve their differences peacefully.

- NATO enlargement is helping to resolve potentially dangerous conflicts. When he signed the NATO Treaty in 1949, President Truman said that if NATO had existed in 1914 or 1939, it would have prevented the hostilities that tore the world apart. NATO has helped reconcile former adversaries like France and Germany 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).

4. Enlarging NATO will erase the artificial line in Europe that Stalin drew, bringing Europe together in security.

- 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, combined with other arrangements like the Partnership for Peace and NATO's new relationship with Russia and Ukraine will yield security benefits beyond NATO's own borders. By contrast, a decision *not* to enlarge NATO would suggest a permanent acceptance of the Cold War dividing line.
- An enlarging NATO is forging a more constructive relationship with Russia. During the Cold War, NATO and Russia were nuclear adversaries. A 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.
- 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- or risk-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.
- 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. This is part of a larger strategy that we must pursue to put behind us the darkest moments of the 20th century and fulfill the possibilities of the 21st.

RUSSIA: ABM TREATY

Q: Has Russia added new elements to the ABM Agreement reached in Helsinki? If so, what are they? What is the U.S. reaction?

A: These ongoing negotiations are confidential. It would be inappropriate for me to comment at this time, either on their substance or on the characterizations in the article.

In their Helsinki Summit Joint Statement concerning the ABM Treaty, Presidents Clinton and Yeltsin agreed on the basis for an agreement on ABM/TMD Demarcation.

In the Standing Consultative Commission, in Geneva, we are working with Russia, Ukraine, Belarus, and Kazakstan to complete that demarcation agreement.

The Russians are not trying to introduce elements that were not in the Helsinki Joint Statement on ABM or that were previously rejected by us.

Current

Shevardnadze Visit

- President has invited Shevardnadze in August. Specific date to be determined.

General

Russia-Ukraine

- Welcome Friendship, Cooperation and Partnership Treaty signed by Presidents Yeltsin and Kuchma as well as separate agreement on basing of Black Sea Fleet.
- Yeltsin's constructive visit to Kiev, agreements signed, underscore commitment of Russia and Ukraine to strong, positive relations; contribute to stability in Europe.

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.

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.

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 potentially involved in serious conflicts of interest. Refer to AID for details.

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.

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 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.

Shooting Incident

- **We understand there was a limited exchange of fire between North Korean vessels and the South Korean Navy off the coast of South Korea.**
- **Reports indicate that there was no loss of life or serious injury.**
- **We are consulting with the South Koreans through our embassy in Seoul.**
- **We hope this incident will not adversely affect the ongoing working-level discussions in New York.**

Talks in New York City

Q: Can you confirm that there was a working level meeting in NYC last Friday?

A: The North Koreans communicated with us the week before 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. The meeting held Friday can be characterized as what has become routine contact between the three parties. I anticipate additional meetings of this nature will be held, but a date for the next meeting has not been set.

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.

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 UN 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.

ANNIVERSARY OF TIANANMEN TRAGEDY

Q: Do you have any comment on the anniversary of the June 1989 Tiananmen tragedy?

A: This week marks a tragic anniversary for the Chinese people. In the Spring of 1989, Chinese students, workers and others began a series of peaceful demonstrations in Beijing that spread throughout the country. During the next several weeks, the world's attention was focused on Beijing's Tiananmen Square, which was filled with tens of thousands of Chinese citizens. On June 3-4, 1989, the world watched as the Chinese Government crushed the pro-democracy demonstrations.

We have urged the Chinese Government on many occasions to make a full accounting of those who disappeared in the Tiananmen tragedy of June 1989, and to release all political and religious prisoners. On this tragic anniversary, we once again urge China to take these steps.

The Chinese Constitution and the Universal Declaration of Human Rights guarantee freedom of speech and petition, and we call on the Chinese Government to allow its citizens to exercise these rights freely.

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 reports of growing problems with terrorist incidents in Western China, but have little reliable information on the situation. While our abhorrence for terrorist acts is well-known, we also have significant concerns about the absence of due process in China's criminal justice system.

Q: Is China a police state, as the New York Times article implies?

A: Certainly the level of police presence in many 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 hope that trend will continue.

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.

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.

ALGERIA: BUS BOMBING IN ALGIERS

Q: What is your reaction to yesterday's bus bombings in Algiers, which appear to be linked to the upcoming elections?

A: We condemn these brutal acts of terrorism in the strongest terms. We deplore the loss of life and the injuries to innocent civilians. The U.S. offers its condolences to the families of the victims, and calls for an end to the violence that has plagued Algeria for so many years.

Q: Will such attacks have an impact on the June 5 elections?

A: The legislative elections will be an important crossroads in Algerian political development. Peaceful, honest elections could help Algeria emerge from the violence that followed the cancellation of elections in 1992. Terrorism and violence have no role in such processes.

IRAQ: RENEWAL OF UNSCR 986 PROGRAM

Q: Any thoughts on the renewal of UNSCR 986?

A: We hope that this decision will help ease the suffering of the people of Iraq. Our disagreements are not with the people of Iraq, but with their leaders.

Renewing 986 is important for meeting the urgent needs of the Iraqi people. As Ambassador Richardson said yesterday, we still have some reservations about the implementation of the resolution. We want the Iraqis and the Secretariat to provide more timely and accurate information. Addressing these concerns will be important for future decisions on 986.

If asked:

Q: Has the U.S. held up contracts under 986 and has this delayed the provision of humanitarian commodities to Iraq?

A: Our goal in this process has always been to ensure that the urgent humanitarian needs of the Iraqi people be met.

The contract approval process exists for one reason: to make sure that the money from the oil sales is used properly and that the food and medicine get to those who need it most.

This system would not have been necessary were it not for the Iraqi regime's long, well-documented record of evading its UN obligations and disregarding the needs of its own people.

I refer you to the UN Secretary General's report on the first six months of the program, which cites some examples of Iraq's attempt to evade proper monitoring of 986. There are others, but the point is the record of Iraq's intention to evade sanctions rather than the details of particular evasions.

BERGER MEETINGS ON JUNE 4

Q: What can you tell us about Berger's meetings with General Shahak and Osama El-Baz?

A: The meetings were intended to give us an opportunity to review the current situation in the Middle East and efforts to revive the peace process.

General Amnon Shahak is the Chief of Staff of the Israeli Defense Force. Mr. Berger underscored the President's unshakeable commitment to Israel's security as well as to the preservation of Israel's qualitative edge.

With Osama El-Baz, Political Advisor to Egyptian President Mubarak, Mr. Berger had an opportunity to express the President's strong support for Egypt's efforts to revive the Middle East Peace Process.

BERGER CALL WITH PM NETANYAHU

Q: What can you tell us about Mr. Berger's phone conversation with PM Netanyahu?

A: The conversation focused on efforts to revive the peace process. The PM and Mr. Berger exchanged assessments and agreed to keep working to get the process back on track.

NETANYAHU "PEACE PLAN"

Q: What is your reaction to the peace plan PM Netanyahu laid out in Jerusalem this week?

A: We are aware that PM Netanyahu and other Israeli officials have recently made some statements on Jerusalem and other issues of concern to the Palestinians, but we know of no new Israeli peace plan.

Q: What about his recent statements on Jerusalem, for example? What is your view on them?

A: Our views on Jerusalem are well known. It is a subject to be addressed in permanent-status negotiations between the Israelis and the Palestinians.

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A: Our goal in this process has always been to ensure that the urgent humanitarian needs of the Iraqi people be met.

The contract approval process exists for one reason: to make sure that the money from the oil sales is used properly and that the food and medicine get to those who need it most.

This system would not have been necessary were it not for the Iraqi regime's long, well-documented record of evading its UN obligations and disregarding the needs of its own people.

I refer you to the UN Secretary General's report on the first six months of the program, which cites some examples of Iraq's attempt to evade proper monitoring of 986. There are others, but the point is the record of Iraq's intention to evade sanctions rather than the details of particular evasions.

Khobar Bombing

Q: What about the Sayegh story?

A: This is an ongoing investigation.

I am not going to comment on this issue.

- 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.

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 May 10, 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.

Visit of President Shevardnadze

Background: VOA informs us that the Georgian state news agency is reporting that Shevy is coming here in August to see Clinton.

- The President wrote to Shevardnadze on May 31 (letter presented on June 2 by Amb. to Shevy) inviting him to DC for a meeting sometime in August (date to be tied down in near future). Shevy accepted the invitation on the spot.

Q: What is the USG's reaction to the ASEAN foreign ministers' decision to admit Burma, Laos, and Cambodia into ASEAN during that organization's July 25-26 ministerial meeting in Kuala Lumpur, Malaysia?

A: Our concerns about the SLORC's (State Law and Order Council) policies are well known. It has violated the rights of its own citizens and taken actions that undermine stability in the region by producing refugee flows and allowing Burma to remain a major source of narcotics.

ASEAN shares these concerns and, like the U.S., wants to see them addressed.

We have acknowledged that decisions about ASEAN's membership are for ASEAN member nations to make.

We nonetheless regret that ASEAN appears to have invited Burma to join its organization at this time.

We will look to ASEAN to urge the SLORC to seriously address our mutual concerns by entering into a productive dialogue with democratic forces in Burma and by ceasing its actions that damage stability in the region.

Q: Doesn't this decision constitute a rejection of U.S. and Western pressure to keep Burma out of ASEAN?

A: The U.S. relationship with ASEAN spans a range of important political, security, and economic issues of joint concern.

We look forward to continuing to work with this key group of nations to further our mutual interests in stability and economic growth in Southeast Asia.

At the same time, we now look to ASEAN to persuade the SLORC to enter into a productive dialogue with democratic forces in Burma and to cease its actions that have undermined stability in the region.

Bosnia Implementation Plan/European Trips

- The President engaged our European Allies on the way ahead on Bosnia in his meetings in Europe last week. At the President's direction, we have recently conducted an extensive policy review and developed a Bosnia implementation plan aimed at reinvigorating U.S. and international efforts to bring self-sustaining peace to Bosnia. A key conclusion of our review is that Dayton remains the only viable framework for long-term peace.
- Secretary Albright briefed our re-energized approach to our Contact Group partners and the parties at the Peace Implementation Council Steering Board Ministerial on May 30. She followed up on her travel to the region over the weekend by further pressing the parties hard on their obligations.
- Both Allies and the parties welcomed our renewed efforts to ensure timely, concrete progress on implementation. Secretary Albright was particularly firm and specific in her meetings with the parties on the need for improved performance in areas such as war crimes, public security, refugee returns and joint institutions.
- Dayton's continuing success 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;
 - securing consistent progress on the return of refugees and displaced persons and the ability of all Bosnians to move freely throughout the country; and
 - enhancing economic reconstruction, inter-entity commerce and accelerated distribution of economic assistance to all areas of Bosnia;
- 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 link cooperation with Dayton with all aspects of our implementation effort using economic, political and every other form of leverage we have available.**

- 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.
- Implementation of Dayton and bringing long term peace and reconciliation to Bosnia remains a long term process and much work remains to be done. Nevertheless, we should take heart in all that we have accomplished and re-focus our efforts in order to finish the job.

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.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

June 3, 1997

STATEMENT BY THE PRESIDENT

Resumption of Belfast Talks

Today in Belfast, Senator George Mitchell reconvened the talks on the future of Northern Ireland that began almost a year ago. I call on the political leaders to seize this precious opportunity and begin the hard but worthwhile work of negotiating a just and lasting settlement. To engage in serious negotiations, to be willing to make principled compromises, requires courage and creativity. Now is the time for the representatives of the people to show the good sense and good will that I saw in such abundance when I visited Northern Ireland. The United States will continue to stand with them as they take on, with the two governments, the demanding task of shaping a peaceful and prosperous future in which all the people of Northern Ireland will have an equal stake.

As I have said so many times, ideally all the elected parties should be at the table when the decisions that shape the future are made. If the IRA declares and implements an unequivocal cease-fire, I am confident that Sinn Fein will be invited to add its voice to the other parties' at the table as they forge a new future for themselves and their children.

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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.

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.