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Daily Press Guidance

**Tuesday
June 10, 1997**

(For internal use only.)

Press Guidance
Tuesday, June 10, 1997

updated on
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Schedule

1. Education event - Education

Domestic

1. Archer Tax Plan - Tax Reform
2. Race - Race Relations
3. Tobacco - Tobacco
4. NTSB - car crash recorder - Transportation
5. INS Investigation - Immigration
6. FCC - spectrum - FCC

Foreign

1. Denver Summit - Foreign
2. DROC (Ex-Zaire)
3. Republic of the Congo (Brazzaville)
4. Sierra Leone
5. Haiti
6. Germany
7. Libya/Pan Am
8. Canada
9. Ralston
10. Cyprus
11. Kazakstan/Iran
12. France
13. India
14. Turkey
15. Madrid Summit/NATO Enlargement
16. Russia/ABM Treaty
17. NATO/Russia
18. Russia/NIS
19. Iran
20. Korea
21. Indonesia
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24. CIA
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26. Middle East
27. Saudi Arabia
28. Fast Track - Foreign
29. Trips and Visitors
30. Burma
31. Bosnia
32. Ireland
33. Northern Ireland
34. Gulf War Illness
35. Gingrich and Nicaraguans

Good News for American Education at Close of School Year

June 10, 1997

U.S. 4th Grade Students Are Internationally Competitive in Science and Math. President Clinton announced today the fourth-grade results of the Third International Math and Science Study (TIMSS), which show that U.S. students score above the international average in both science and math, compared with 25 other participating countries. The President, joined by Education Secretary Richard Riley, welcomed the news, calling the results a good first step toward our national goal of being first in the world in math and science, and a clear indication that our students and schools can compete with those all over the world.

- In science, U.S. students' average score was 565 -- 41 points above the international average science score of 524. U.S. fourth graders were outperformed only by students in Korea, and scored higher than students in 19 other countries.
- In math, U.S. students' average score was 545 -- 16 points above the international average of 529. Only seven countries -- Singapore, Korea, Japan, Hong Kong, Netherlands, the Czech Republic and Austria -- outperformed U.S. students, while U.S. students outperformed those in 12 other countries.

These results show that U.S. schools are improving. The mathematics results in particular show gains from a previous international assessment, which had indicated that U.S. students performed below the international average.

President Calls for National Standards and Tests for 8th Grade Math to Keep American Students on Track. While U.S. 4th grade math and science achievement is strong, 8th grade achievement is relatively weak, especially in math, based on TIMSS results released in November. To keep American students achieving at a high level, the President again challenged all states to adopt national standards and tests in 8th grade math. The voluntary national test in 8th grade math will be based on the existing widely accepted National Assessment of Educational Progress (NAEP) 8th grade math test, and will also be linked to TIMSS, allowing students, parents and teachers to see how schools and students did compared with international benchmarks. The new test will focus on the years when U.S. achievement begins to falter and will help ensure that students have mastered the basics of math, including the essentials of algebra and geometry.

Kentucky to Participate in The Voluntary National Tests in 4th Grade Reading And 8th Grade Math. The President also announced that Governor Paul Patton of Kentucky has asked that Kentucky be included in the voluntary national tests in 4th grade reading and 8th grade math when the tests are first given in the Spring of 1999. Governor Patton joins all DOD schools and a growing list of educational leaders in California, Maryland, Massachusetts, Michigan, North Carolina and West Virginia in endorsing the tests.

Questions and Answers on TIMSS 4th Grade Results

Are these results showing strong 4th grade performance in math and science a surprise?

We pleased but not totally surprised. Prior international studies of science achievement showed that U.S. fourth graders were above average but not top ranked. TIMSS indicates that our 4th graders are top ranked in science -- second only to Korea. We felt our efforts to raise standards, increase parent involvement, and stress accountability would pay off.

In mathematics, the only prior international comparison of 4th graders (IEAP, 1991) showed that our fourth graders were slightly below the international average. TIMSS shows that we are above the international average. While our students did not perform at the very top in math, it is still encouraging that we have moved from below average to above average. Our own 4th grade results on the National Assessment of Educational Progress (NAEP) show similar progress since 1990.

Why is this study so important?

TIMSS is the largest, most rigorous, and most comprehensive international comparison of education ever undertaken. It tested a half million students. 41 nations participated in the 8th grade assessment and 26 in the 4th grade. It provides not only information about relative student performance in math and science, but also valuable information about curriculum, instruction and achievement.

Why do we do so much better at 4th grade than at 8th grade?

Those who have studied this issue carefully, based on TIMSS and other data, point to what our schools teach and how we teach it.

The first issue is curriculum. Our schools -- like schools around the world -- spend the early grades teaching the basics of math and science. We do this well-- which one reason our students do relatively well at 4th grade on TIMSS. But, between 4th and 8th grade, U.S. schools tend to repeat the basics over and over while schools in other nations move on to more demanding material. For example, our students tend to learn the basics of arithmetic by 4th grade and then keep doing arithmetic until they get to study algebra

in 8th or 9th grade. High achieving nations, however, introduce several new topics -- such as elements of algebra and geometry -- in each of these years. As a result, our curriculum is less demanding than and out of sync with curriculum in other nations.

A second issue is how we teach. In many states, middle school and elementary school teachers have essentially the same preparation in mathematics -- a couple of courses in college. That might be enough to teach arithmetic really well. But it probably is not sufficient to ensure that a teacher understands the foundations of algebra and geometry well enough to teach it really well.

Finally, as a nation we have put a lot of effort in to improving the early years of school. Many state and local reform efforts are starting with kindergarten and working their way up. The TIMSS results suggest that these reforms may be paying off. The challenge is to expand them into the later grades.

What is the relation between TIMSS and the President's proposed National Tests?

The TIMSS results confirm the importance of a national voluntary test in mathematics at 8th grade. They show that U.S. students can measure up to world class standards, and that we must set higher standards for 8th grade students, as we already have for our 4th graders.

The national test in 8th grade math proposed by the President will be based on widely accepted national standards, and will also be linked to the TIMSS international test. That means that students who take the test, and their parents, would find out how well the student measures up compared to international benchmarks.

If we perform so well at 4th grade, why do we keep hearing about students who cannot do basic math and science?

Despite our relatively strong performance, the range of achievement between our highest and lowest performing students is still distressingly wide. While we were second only to Korea in science, 39% of our students scored below the international average. And, while we were above the international average in math, 47% of our students scored below the international average. This shows that we must continue to work to give every child a real chance to master challenging material.

What about 12th grade?

TIMSS 12th grade results will be released next February. The data have not yet been analyzed.

How reliable are these findings given that fewer nations participated in the 4th grade study?

Of the 41 nations that participated in the 8th grade study, 26 also participated in the 4th grade study. In determining the U.S. performance relative to other nations and U.S. 4th grade performance relative to 8th grade, the TIMSS analysis took into account the fact that fewer nations participated in 4th grade. Moreover, the results were confirmed by the comparisons of total U.S. performance among the 26 nations that participated in both the 4th and 8th grades.

What is the Administration doing to improve math and science education?

In addition to our testing initiative, the Administration has taken a number of steps to help improve math and science. For example, Goals 2000 funds help every state set higher standards in academic subjects including math and science. The Eisenhower Professional Development Program provides training to upgrade teachers skills, especially in math and science. The President's Technology Literacy Challenge provides funds to states and school districts to purchase computers and software and to train teachers to improve instruction.

In addition, last March the President issued a directive to the Education Department, the National Science Foundation, and the Office of Science and Technology Policy, to develop an interagency strategy for helping states and communities prepare students for reaching the 8th grade math standards. That plan will be completed shortly.

What is the response to the President's directive on improving math and science education?

In March the President issued a directive to the Secretary of Education and the Director of the National Science Foundation asking them to develop an Action Strategy for improving math and science education by June 6. They formed an interagency working group that is now completing that strategy. The effort is taking into account the findings released today as it finishes work on the plan.

Background on Chairman Archer's Tax Plan

June 10, 1997

The Clinton Administration's goal is to increase the amount of tax relief going into the pockets of working families. Chairman Archer's plan strays from that goal. It provides too little tax relief for working families in order to provide unnecessary tax cuts to those who least need them:

Completely Denies the Child Tax Credit to 4 Million Working Families. Under the Archer plan, the child tax credit is figured only after the earned income tax credit is taken against a family's tax bill. The Center on Budget and Policy Priorities has estimated that this will deny the credit to 4 million families. For example: A family of four with two children and \$25,000 of income would receive no child tax relief under the Archer plan. Under the President's plan, this family would get \$1,000 -- just as much as a family earning twice that much. The President's overall child tax credit would provide \$193 billion to working families over ten years -- \$45 billion more than Archer's would.

Singles Out and Penalizes 6 Million Families who Pay for Child Care and Gives them Less of a Tax Cut. The child tax credit is designed to help hard working families raise their children. Instead of helping families pay for child care, the Archer plan reduces the tax cut for 6 million families. Beginning in 2003, more than 6 million families who receive a tax credit for child care expenses would lose 50 cents for each dollar of the child tax credit. For example: A family with two working parents making \$45,000 who pay for child care for their two children would seemingly be eligible for a \$1,000 child tax credit. But under the Archer plan, they would also lose \$480 of their child tax credit.

Dramatically Cuts the HOPE Scholarship Tax Credit to Students Going to Community Colleges. While we're pleased Chairman Archer has included a version of the President's HOPE scholarship, it is less fair than the President's plan. For example: A student from a working family who goes to a community college with a \$1,200 tuition would have his or her entire tuition paid for under the President's plan. Under the Archer plan, that same student would receive only \$600. The Archer plan fails to advance the President's goal of making the first two years of college universal. Under the Archer plan, a student attending an expensive private school would receive the full \$1,500 credit, but the student attending community college would be short changed.

Over 250 college presidents -- from community colleges to public and private colleges and universities -- support the President's proposals. The President of the American Council of Education says: *"The Hope tax credit is a giant step in the direction of making the first two years of college a universal benefit."* And the American Association of State Colleges and Universities stated about the Archer plan on June 9th, that *"instead of improving the Administration's education-related tax proposals, it accomplishes just the opposite. It is more regressive and does nothing to expand access to higher education."*

INSTEAD OF MAXIMIZING TAX RELIEF FOR WORKING FAMILIES, THE ARCHER PLAN PROVIDES EXTENSIVE TAX CUTS FOR CORPORATIONS AND HIGHER-INCOME PEOPLE:

Allows Profitable Corporations to Pay not a Penny in Income Taxes. In 1986, Citizens for Tax Justice surveyed 250 of the nation's largest and most profitable corporations and found that 130, more than half, paid no income taxes during at least one of the five years 1981-1985. During those years when they paid no income taxes, these companies earned a combined \$73 billion in pretax domestic profits. That is why there is a corporate alternative minimum tax. The Archer plan would return us to the days when some giant corporations didn't pay a penny in income taxes -- costing \$34 billion over ten years.

Capital Gains Tax Cuts Would Explode the Deficit. On top of a broad-based capital gains tax cut, the Archer plan includes indexing of capital gains beginning in 2001. This proposal, which would be enormously difficult to administer, would threaten to undo much of the progress of bringing down the deficit. That's why

FOR IMMEDIATE RELEASE**(JUNE 9, 1997)**

Contact: Gay Clyburn, 202/857-1824
(e-mail: clyburng@aascu.nche.edu)

Tim Martin, 202/293-7070
(e-mail: martint@aascu.nche.edu)

WWW: www.aascu.nche.edu/news/releases/archer.htm

**Statement from American Association of State Colleges and
Universities in response to Chairman Bill Archer's Mark, House
Committee on Ways and Means**

We are disappointed to see that Chairman Archer's tax package, instead of improving the administration's education-related tax proposals, accomplishes just the opposite. It is more regressive and does nothing to expand access to higher education.

The American Association of State Colleges and Universities (AASCU) has set a clear standard against which any educational tax proposal may be judged—that of broadening educational opportunity.

We believe the president deserves credit for insisting that at least \$35 billion of any tax expenditures should be devoted to higher education. We had hoped that Chairman Archer would modify the details of the administration's proposal to ensure that the neediest, as well as middle and upper-income Americans, would qualify for education-related tax benefits.

Unfortunately, the chairman's mark falls short. Not only does it devote substantially less to education-related tax provisions than the budget agreement with the president requires, it is also seriously mis-targeted.

Our concerns are as follows:

- The modifications made to the president's Hope Scholarship proposal move the tax subsidies even further toward the upper income. By limiting the credit to "out of pocket" tuition and books, the chairman's mark fails to conform to the improvements the president recently announced. In addition, limiting the credit to 50 percent of tuition and books up to \$3,000 serves as another *de facto* cap on the maximum eligibility of students at schools with tuition charges of less than \$3,000. The fact that the tax credit continues to be nonrefundable also renders it ineffective as an instrument of access.
- The deductibility of up to \$10,000 per student per year of expenditures through state sponsored prepaid tuition plans, and the creation of a similar deduction for private prepaid tuition programs, will help only our highest income citizens.

(over)

News

American

Association of

State

Colleges and

Universities

One Dupont Circle

Suite 700

Washington, DC

20036-1192

voice 202/293-7070

fax 202/296-5819

Add 1, AASCU

- The chairman's mark fails to include non-taxability of student loan forgiveness—an extraordinarily important feature of the administration's package that AASCU fully endorses.
- The chairman's proposal does not restore the deductibility of student loan interest payments, which enjoy universal support within the higher education community and bipartisan support in Congress.
- The chairman's mark does not permanently extend employer-provided education assistance—temporarily extended it only through Dec. 31, 1997—and then only for undergraduate study.
- The proposal phases out non-taxability of tuition reduction provided to employees of educational institutions, and thus increases personnel costs at colleges and universities.

AASCU hopes to work with Chairman Archer to address our concerns as he leads the Ways and Means Committee in mark-up.

 American Association of State Colleges and Universities

One Dupont Circle • Suite 700 • Washington, DC 20036-1192 • phone 202/293-7070 • fax 202/296 5819

June 9, 1997

The Honorable William V. Roth
Chairman
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Bill Archer
Chairman
House Ways and Means Committee
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Mr. Chairmen:

We write to indicate our enthusiastic support for the agreement reached between the President and Congress to devote a substantial portion of any tax cuts to higher education. We congratulate the President and the Congress for their continued efforts to expand access to higher education, and believe that properly crafted tax incentives are an investment in America's future.

We fully endorse the goals articulated by the Administration and congressional leaders in advancing their respective packages of education-related tax cuts. We believe that as Congress works to implement the budget agreement, it has a historic opportunity to produce a final tax package that will enable all Americans to afford postsecondary education for themselves and their children.

As you examine the specific features of education-related tax benefits, we hope that you will join the President in his call for making at least two years of postsecondary education the norm for our citizens. The creation of an expanded Hope Scholarship program is the single most effective way in which the tax writing committees can make the dream of a better future for all Americans a reality. We believe such a program, if it is correctly designed to provide benefits to our neediest citizens as well as to middle income families, will be a proud legacy for policymakers.

The bipartisan agreement for restoration of deductibility of student loan interest payments is another important tax provision we support. An "above-the-line" deduction for educational borrowing would provide relief to millions of our citizens with student loan payments.

The Administration has proposed that any loan forgiveness for borrowers who make 25 years of payments based on income be non-taxable. We fully endorse this proposal. In an effort to promote greater community service, the Administration has also proposed non-taxability of loan forgiveness by non-profit entities. We believe public colleges and universities should be included in this provision. While public institutions can provide non-taxable loan forgiveness in certain circumstances under current law, we believe their inclusion in this new provision would

The Honorable William V. Roth
The Honorable Bill Archer
June 9, 1997
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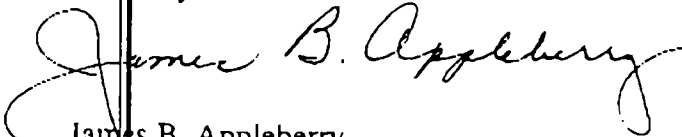
simplify the process substantially. Also, we encourage Congress to include a technical expansion of non-taxability to include loan discharge, write-off and compromise.

The Administration and Congress have proposed a variety of additional incentives that merit careful consideration. These include tax-free educational savings accounts; expansion and permanent extension of tax exemption for employer-provided education assistance; tax exemption for work-study earnings, scholarships and fellowships; and proposals to encourage lifelong learning.

An additional proposal we are concerned about is non-taxability of state prepaid tuition plans. We strongly support this in concept, but believe it should apply only to state prepaid tuition plans that are actuarially sound, and that do not create unfunded contingent liabilities for the nation's public institutions.

We appreciate your leadership on these important issues, and stand ready to work with you in the historic task before the Committee.

Sincerely,



James B. Appleberry
President

On behalf of the following education associations:

Hispanic Association of Colleges and Universities (HACU)
National Association for Equal Opportunity in Higher Education (NAFEO)
National Council of Educational Opportunity Associations (NCEO)
The Education Trust
U.S. Public Interest Research Group (USPIRG)
United Negro College Fund (UNCF)
United States Student Association (USSA)

cc: The Honorable Richard W. Riley
Members of the Senate Finance Committee
Members of the House Ways and Means Committee

AMERICAN COUNCIL ON EDUCATION

Division of Governmental Relations

June 6, 1997

The Honorable Bill Archer
Chairman
Committee on Ways and Means
United States House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Dear Congressman Archer:

On behalf of the higher education associations listed below, I write to express our strong support for the agreement between the President and Congress to use the tax code to help families save for college, pay for college, and ease their student loan repayment burdens. The support for higher education is bipartisan and reflects the great importance both parties place on it.

The President has outlined a bold plan to help make higher education more affordable for students and families. Members of Congress have suggested additional ways to use the tax code for the same important purpose.

We very much appreciate this bipartisan leadership. We believe that the tax cuts being discussed will make higher education more accessible for students, improve their learning experience, and help ensure that the nation has the highly educated, well-trained work force it will need for the 21st century.

We recommend that any higher education tax package, to be most effective, include the following six critical elements:

- A Hope Tax Credit available to students for the first two years of college, without the "B" average provision. This program would guarantee students access to at least a community college education and should be the central feature of any plan.
- A Tuition Tax Deduction, which would provide assistance for students and families attending undergraduate and graduate school and encourage lifelong learning.
- Savings Incentives for families with young children to help them plan ahead for college.
- The permanent extension of Section 127 of the tax code for employer-provided educational assistance for both undergraduate and graduate education to ensure that working adults can participate in employer-supported higher education without tax consequences.

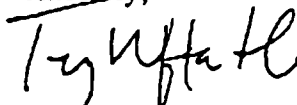
June 6, 1997

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- Reinstatement of the student loan interest deduction to help students repay their loans following graduation. The deduction should be "above the line" to ensure that all borrowers can benefit.
- Elimination of the tax-exempt bond cap for all colleges and universities so that they can maintain their campus facilities, keep up with the rapid growth of technology, and offer their students and faculty state-of-the-art classroom and research facilities.

Once again, we very much appreciate the leadership the President and Congress have demonstrated in support of higher education, and we look forward to working with you to develop this important set of higher education tax policies.

Sincerely,



Terry W. Hartle
Vice President

On behalf of the following associations:

American Council on Education

American Association of Community Colleges

Association of American Universities

National Association of Independent Colleges and Universities

RACE INITIATIVE TALKING POINTS -- 6/10/97 (Surrogates)

The charge the President set is to shape an initiative that will use policies and people to respect each others' differences and yet be a united America.

Why Now?

Unlike previous presidential efforts, this initiative is not the result of a crisis. The theme of racial reconciliation has been present throughout the Administration's first term and into its second.

The President has consistently said he had three goals in running for the office:

- to keep the American Dream alive for everyone who wanted to work for it;
- to keep America a force in the world for peace and democracy; and
- to keep us one America, a nation coming together instead of coming apart.

The Administration has made real progress on issues of economic opportunity, strengthening families, reducing crime rates, and foreign policy (the first two goals). The time is right to move forward more aggressively on the third.

The President believes that we should take stock of the progress we have made in race relations and take action to improve the ability of all Americans to succeed in the 21st century.

- We face a very different America in the next century. There are four school districts in the country, including one right across the river from here (in Virginia), with children from more than 100 different racial and ethnic groups in the single district. We should embrace such diversity.
- Unfortunately, there are some new and disturbing examples of going backward: the lack of economic progress among Hispanic Americans and the greatly reduced number of black and Hispanic students in California and Texas universities.

Overview

The effort will be a balance of study, dialogue and action -- including fact finding and policy.

We will seek to promote honest dialogue on the issues of race and to develop real solutions that can be implemented by individuals, communities, religious congregations, educational and non-profit organizations, businesses, state and local governments, and other groups.

Elements of the proposal:

1. Advisory Board - This seven-person group will advise the President and assist him in outreach efforts and consultations with experts. (Examples of those we have consulted already include Taylor Branch, Henry Cisneros, Chris Edley, Deval Patrick, Chancellor Tien, Warren Christopher and Bill Galston.) Advisory board members will also reach out as surrogates for the President to various communities, provide guidance and analysis on topics concerning race and recruit more leaders to implement solutions that will improve race relations.

2. Presidential Events - The President will do a series of events to encourage dialogue and help focus people on the tough issues around race. These events will include four town halls, a White House conference on hate crimes, three meetings with the advisory board and other activities like the Tuskegee ceremony.
3. Presidential Report - The President will present a report to the American people next summer. The report will:
 - lay out the President's vision of a just America, including an illustration and assessment of the growing diversity of our nation;
 - report on how the nation has evolved on the issue of race over the past 30 years; and
 - provide tools and recommendations that help individuals, communities, corporations and government address the difficult issues.
4. Executive Director and Staff - The President will appoint an executive director and a small staff responsible for working closely with White House staff on policy, outreach, legal and communications efforts; helping advisory board members to fulfill their duties; surveying individuals and organizations for best practices and model programs; and analyzing existing studies on matters of race.

Personal Conviction and Commitment

The President's experiences with discrimination are rooted in the South's legacy of slavery.

- His grandfather had a grade-school education and ran a grocery store in Hope, Arkansas. Most of the customers were poor, black, working people. As a child in that store, President Clinton learned to treat people of different races with respect and dignity.
- His grandparents were in the minority -- being poor, Southern whites who were pro-civil rights -- and they taught the President a lesson that he has carried with him through life: Discrimination is not just morally wrong, it hurts everyone.

The President has been consistent and steadfast throughout his life and professional career in his pursuit of equality and opportunity for all.

President Clinton's personal history and conviction to lead this country in finding strength in our diversity make him well-suited to help forge alliances and reconcile differences among us.

The President will be actively involved in the initiative and will help provide its intellectual leadership. He will also involve the American people in an unprecedented way.

Study/Dialogue/Action

We will undertake fact finding (e.g.: what are the stereotypes and what are the facts), dialogue and policy/action (e.g.: best practices, positions on minority enrollment in higher education) concurrently and through an iterative process.

Study

Through the initiative, we will review and analyze existing data on race relations including: reports by bodies such as the Truman Commission, the Kerner Commission, the Johnson Council and the US Commission on Civil Rights; works by today's leading scholars; information collected at the President's town hall meetings; and future demographic trends. This material will be provided to the Advisory Board and the White House and will serve as the foundation for the President's report to the American people.

Dialogue

The President has long maintained that the evil of racism is rooted in our separateness. He believes that greater dialogue between individuals of differing races will reveal the similar interests and values all Americans share. The President will encourage tough, bold dialogue to address the difficult racial issues that we too often avoid.

The President has been a constant voice in pressing racial healing and unity, for instance:

- speeches in Memphis, Tennessee, in 1993 and Austin, Texas, in 1995;
- inaugural and State of the Union addresses this year; and
- remarks at the Jackie Robinson anniversary commemoration.

When public officials are not open to discussion of racial issues, or through their silence allow negative depictions of racial minorities to go unchecked, such postures significantly affect national attitudes and policy.

- *Willie Horton Ad*: Presidential campaign ads featuring Willie Horton, an African-American parolee found guilty of another heinous crime, lent national legitimacy to the perception of African-American men as violent criminals.

Positive changes have followed when presidents have spoken openly about race.

- *Civil Rights Movement*: The Kennedys outreach to the King family, particularly when Martin Luther King Jr. was in jail, helped legitimize Reverend King's use of civil disobedience at a time when supporters of segregation were attempting to paint him and other civil rights leaders as criminals.
- *Tuskegee*: President Clinton's public apology to the victims of the "Tuskegee Experiment" prompted numerous positive discussions in the media and elsewhere on race and health care in America.

Action (Best Practices / Policy)

Best Practices: This initiative will attempt to identify and create solutions for improving race relations and the circumstances of Americans of all races. Those solutions will be designed for individuals, communities, religious congregations, educational and non-profit organizations, businesses, state and local governments, and other groups to implement.

Policy: The Administration will develop wholly new policy and refocus or better target existing policy. Some policies will respond to information arising as the initiative moves forward. Other policies will attempt to address longstanding problems in new and creative ways. The

Administration's actions and policies will be announced over the course of the year-long initiative.

Race Broadly Defined

The initiative is directed at race, broadly defined: White, Hispanic, Asian, African American, etc. Every American must understand that improving race relations and preparing to enter the 21st century as one America is important to him or her and to our children's future.

Of course, the initiative will recognize the unique history of African Americans in this country.

Future Focus

While it will review the current problems that we face as a nation and the history that has brought us here, the intent of the initiative forward looking. We will consider where the nation is going in terms of demographics and the complexity of race issues.

Timing

The initiative will be a year-long effort. We hope it will stimulate honest dialogue, improved policy and better relations that will continue to live and grow after the year is over.

This issue has been with us throughout our nation's history. We certainly cannot expect to resolve it in one year.

Spending (if asked)

This initiative is about policy that makes a difference. We will look at policy ideas that call for reprioritization of our current spending.

(For Thursday media outreach, we will add points on how/why advisory board members were selected; criteria for choosing executive director; and goals and specifics of the initiative.)

DRAFT-- RACE INITIATIVE Qs & As -- 6/10/97

Initiative

Q: Is systemic racism and bigotry still a crucial problem for the United States? Is race still an impediment to opportunity and progress in America?

A: America is moving closer to fulfilling its fundamental promise of equality and the opportunity of advancement for all. President Clinton has worked to restore the American dream by expanding the economy, investing in education and making our communities safer. However, more needs to be done. We face new challenges and a very different America in the next century.

For instance, there are four school systems in the country right now, including one across the river (in Virginia) with children from more than 100 different racial and ethnic groups in a single district. We should embrace such diversity.

Unfortunately, there are some disturbing examples of going backward: the lack of economic progress among Hispanic Americans; the greatly reduced number of black and Hispanic students in California and Texas universities; and the young, African-American boy in Chicago who was dragged from his bicycle and beaten just because of his color.

Q: How was this initiative developed? Who did the President call on among the White House staff?

A: The President charged Erskine Bowles and Sylvia Mathews with developing the parameters of an initiative that would move to fulfill America's promise of opportunity and fairness for all Americans, and that would promote unity while preserving cultural differences.

Sylvia convened an internal working group of approximately 25 individuals from different offices within the White House and from different races. The group met regularly starting in March, and daily for the past few weeks. Erskine and other members of the senior staff participated periodically in the working group meetings. The President received regular updates on the group's direction and progress.

- Offices: Domestic Policy, Public Liaison, Intergovernmental, Legislative, Cabinet Affairs and Communications.
- Individuals: Elena Kagan, Maria Echaveste, Doris Matsui, Mickey Ibarra, Lynn Cutler, Janet Murgia, Tracey Thornton, Thurgood Marshall Jr., Ann Lewis, Minyon Moore.

The group also has consulted with individuals outside of the White House: Taylor Branch, Chris Edley, Henry Cisneros, Chancellor Tien, Warren Christopher, Bill Galston.

Q: Civil rights groups have expressed dissatisfaction that they have not been consulted and dismay at the lack of substance to the initiative. How do you respond?

A: In the process of defining this initiative, we sought comments and ideas from numerous individuals and organizations. More importantly, we have created plenty of chances for future consultation. This is only the beginning of an initiative that will be a uniquely inclusive and broad-ranging year-long effort. We encourage those willing to engage in tough, honest dialogue to join us.

The President is prepared to design wholly new policy and to refocus existing policy. We will look for and implement solutions in areas such as economic opportunity, housing, health care, crime and the administration of justice. We have said all along that we will not outline a full set of proposals and recommendations at the outset. The Administration will unfold policy changes and developments over the course of the year.

Q: How can the President ask others to “get their houses in order” on this subject, when the White House itself lacks diversity, especially in its upper ranks?

A: [Insert Bob Nash info.]

Q: Isn't this just the President's reactionary position after the Administration has neglected to take stronger stances on behalf of minorities?

A: The President has consistently said he had three goals in running for the office: to keep the American Dream alive for everyone who wanted to work for it; to keep America a force in the world for peace and democracy; and to keep us “One America,” a nation coming together instead of coming apart.

The Administration has made real progress on issues of economic opportunity, strengthening families, reducing crime rates, and foreign policy (the first two goals).

- The unemployment rate for Hispanic Americans in May was about 7 percent, down from 11 percent when President Clinton took office.
- The African-American poverty rate has dropped to its lowest level in history -- 29 percent in 1995.
- The Administration has approved more than \$2 billion in Small Business Administration loans to Asian Americans.

The time is right to move forward more aggressively on the President's third goal. Already the President has taken action in this area with his apology, on behalf of the federal government, to the victims of the Tuskegee experiment, his commitment to a White House conference on hate crimes and already an interagency group is exploring how to persuade colleges to adopt new tools to achieve racially diverse student bodies.

President's Commitment

Q: The President seems to waiver in his commitment to this issue. One day he asks the Supreme Court not to hear an affirmative action case and the next day he announces an initiative on improving race relations. How serious is he about this initiative?

A: The President is very serious about this initiative. He has been steadfast throughout his life and professional career in his pursuit of equality and opportunity for all.

- The President's experiences with discrimination are rooted in the South's legacy of slavery.
- As a candidate, the President has consistently said one of his main goals in running for the office was to keep the American Dream alive for everyone who wanted to work for it and to keep us "one America," a nation coming together instead of coming apart.
- As President, he has been a constant voice in pressing racial healing and unity. For instance: speeches in Memphis, Tennessee, in 1993 and Austin, Texas, in 1995; inaugural and State of the Union addresses this year; and remarks at the Jackie Robinson anniversary commemoration.

President Clinton's personal history and conviction to lead this country in finding strength in our diversity make him well-suited to help forge alliances and reconcile differences among us. The President will be actively involved in the initiative and will help provide its intellectual leadership.

Q: Does the President really expect this initiative to make a difference or is it just a way for him to get more media attention?

A: This initiative will attempt to identify and create solutions for improving race relations and the circumstances of Americans of all races. Those solutions will be designed for individuals, communities, religious congregations, educational and non-profit organizations, businesses, state and local governments, and other groups to implement. The Administration will develop wholly new policy and refocus existing policy. Some policies will respond to information arising as the initiative moves forward. Other policies will attempt to address longstanding problems in new and creative ways.

Expectations

Q: Will this initiative address the serious imbalances in opportunity that can be attributed to race?

A: This initiative will study the imbalances in opportunity that can be attributed to race, open channels for discussion about those imbalances and create or refocus policy to address those imbalances.

We will strive to identify and create solutions for improving race relations and the circumstances of Americans of all races. Those solutions will be designed for individuals, communities, religious congregations, educational and non-profit organizations, businesses, state and local governments, and other groups to implement.

Q: How can the President hope to improve race relations and the lot of minorities without dedicating significant funds to the problems that arise from racism?

A: Different times call for different solutions. The choice is not between massive programs and nothing. Much can be done within the confines of tighter federal spending that we face today and going forward. Funds can be reallocated, as they were, in the balanced budget agreement, to provide health cover to five million uninsured children. And we can seek creative ways to generate new funds, not just from federal and state spending.

Q: What can we expect to see change as a result of this initiative?

A: We will promote a better understanding of and a greater respect for both the similarities and differences between people of different races.

We will challenge leaders and “doers” will step forward, in communities throughout the nation, to find and put into practice ideas to improve race relations and stimulate opportunity for all.

We will identify and disseminate proven practices for promoting racial harmony.

We will analyze critical issues affecting race relations in this country and propose government actions and policies to address these issues.

Q: How does the President intend to keep this from becoming just a big talk fest?

A: The effort will be a balance of study, dialogue and action -- including fact finding and policy.

We will seek to promote honest dialogue on the issues of race and to develop real solutions that can be implemented by individuals, communities, religious congregations, educational and non-profit organizations, businesses, state and local governments, and other groups. We will undertake fact finding (e.g.: what are the stereotypes and what are the facts), dialogue and policy/action (e.g.: best practices, positions on minority enrollment in higher education) concurrently and through an iterative process.

Logistics

Q: When will the advisory board hold its first meeting? When will it conclude its work?

A: The advisory board will meet for the first time in the next six weeks or so. An exact date has not yet been determined. At this point, the board will likely disband after the President submits his report to the American people.

Q: When can we expect to see the first action or policy recommendations from the advisory board?

A: As a result of this initiative, we expect the President to implement wholly new policies as well as to reshape existing policies. The Administration's actions and policy changes will take place over the course of the year-long initiative. We cannot say when the first announcement will be. It will be several weeks before the advisory board, the initiative staff and Administration representatives start working together.

Advisory Board

Q: Why did the President appoint an advisory board rather than an independent commission?

A: This initiative is designed to use presidential leadership to prepare the American people for the next century. President Clinton's personal history and conviction to lead this country in recognizing the strength in our diversity make him well-suited to help forge new alliances among citizens. The President will be actively involved in the initiative and will help provide its intellectual leadership. He will also involve the American people in an unprecedented way.

The seven members will serve as partners in the initiative by reaching out to various communities, amplifying the President's efforts and recruiting more leaders on this issue. The advisory board members were selected based on the concept that they would excel in these responsibilities and be respected, if not well known, in what is a Presidentially-led effort.

Q: Wouldn't you have been better off with individuals with name recognition?

A: In identifying an advisory board, the working group sought individuals who could reach out as surrogates for the President to various communities, provide guidance and analysis on topics concerning race and recruit more leaders to implement solutions that will improve race relations.

We also looked for a group of individuals who would provide diversity on a number of fronts, be respected in their fields and be team players exemplifying the relationships we

hope the whole initiative will engender.

Many of the advisory board's members are familiar ones, especially in their communities or areas of expertise.

Q: Why are there no Native Americans on the advisory board?

A: The advisory board consists of seven individuals. These individuals represent diversity in race, age, gender, background and political perspective. There will be many, many opportunities (for example: staff appointments, Presidential town hall meetings, advisory board outreach) over the course of the initiative for the President and the advisory board to work with and hear from individuals whose diversity is not reflected on the board.

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)

Talking Points on Tobacco Settlement Talks

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Press Guidance

June 10, 1997

NTSB RECOMMENDS CRASH RECORDERS IN NEW AUTOMOBILES

Background: The Washington Post reports today that the staff of the NTSB recommended to the National Highway Traffic Safety Administration (NHTSA) that automakers install crash recorders in new cars and trucks.

- NHTSA conducted a research program in the early '70's on this exact issue which found "that while the devices were proven accurate their cost and lack of direct safety benefits could not justify their wide spread installation."
- This research also indicated that there were some very complicated legal and access issues including search and seizure, probable cause and evidence rules.
- You should also know that many of the Smart Airbags used in cars and trucks today already contain detection devices that provide useful information (ie. Whether the individual was wearing a seat belt.)

Silverman
per Aikey/DOT

Press Guidance
June 10, 1997

DALLAS ALIEN VOTING FRAUD INVESTIGATION

Background: Today's Washington Times reports that the FBI and the US Attorney in the Northern District of Texas have taken over the INS Dallas investigation.

Q: Why has the US Attorney and the FBI taken over INS' investigation into possible voter fraud in Dallas, TX?

A: As in most cases involving similar investigations, INS has been coordinating its efforts to investigate possible voter fraud with the FBI and the local US Attorney. The investigation is going forward under the leadership of the US Attorney and the FBI, with assistance from the INS.

Silverman
Conversation with INS

Talking Points on Public Television Commercials

FCC Chairman Reed Hundt said yesterday that public television should not turn to commercials to maintain viability. Instead, they should be assured a reliable funding source.

- o This is consistent with the Administration's views that public television should be given a reliable funding source. It differs from the view of several Republican members of Congress who proposed that commercial broadcasters buy their way out of their public interest obligations by paying an amount to support public broadcasters.
- o Fundamentally, non-commercial television should not have to turn to commercials for revenue.
 - oo Pushing public TV stations to carry commercials takes ads from commercial stations and undermines free over-the-air television.
 - oo It also changes the nature of shows on public television from educational and informational in purpose to a more commercial orientation.

DENVER SUMMIT

There are three broad story-lines developing around the Denver Summit:

The first is Russia and its integration into the world's economic and political institutions. Russia's participation in the Summit from the start as a quasi-full fledged member comes just after the historic NATO-Russia security pact and just before the Madrid Summit. President Clinton's steady, consistent support for reform in Russia and his determination to help bring Russia more fully into the community of free market democracies -- as evidenced by Helsinki, Paris and Denver -- is bearing fruit.

The second story is the success of the American economy -- in its own right and in comparison to the economies of many of our Summit partners. Contrasted to Houston in 1990, or President Clinton's first summit in Tokyo in 1993, as well as with the performance of most of the other Denver participants, the strength and vitality of the US economy are striking. The President has the right strategy for the global economy: cutting the budget deficit, investing in education and training for our people, and opening up the global marketplace to American goods and services. Instead of running away from the world or our responsibilities, we are shaping the forces of change and globalization to our advantage.

The third story is a result of the first two: Because of the President's success abroad (e.g. dealing with Russia) and at home (e.g. building a strong economy) our partners once again look to our country and our economy for leadership to meet the new challenges and opportunities of integration and globalization. The President is using our leadership capital, at this Summit and beyond, to organize the community of democracies in laying a strong foundation for the 21st century -- preparing our people and our economies for the challenges of the global marketplace; meeting new transnational threats to our security; and integrating new partners into the community of free market democracies.

The World Looks to America. Three years ago in Tokyo, our partners told us to get our own house in order. We did -- cutting the budget deficit by two-thirds, slashing unemployment, keeping inflation at a thirty year low, reclaiming our position as the world's number one exporter. Now, our success is a role model -- and we can focus the community of democracies to meet the challenges of the 21st century.

Organizing America and our Partners to Make the Most of Integration and Globalization. These summits play a key role in coordinating the political and economic strength of the world's leading open market democracies -- and shaping the forces of change that have a direct impact on people's lives. At the Denver Summit we will:

- Continue to strengthen our economies and build a stable world financial system so America can thrive in the global economy;
- Increase cooperation to meet new, transnational threats to our common security like crime, drugs, terrorism, environmental decay and infectious diseases;

- Integrate new partners -- Russia and Africa -- more fully into the international system and lock in the gains of democracy and open markets.

America at the Pinnacle of Its Power -- and Responsibility. As America stands at the pinnacle of its power, it also stands at the pinnacle of its responsibility. By taking the lead in building new institutions and arrangements for the 21st century, President Clinton is rising to the responsibility to meet the challenges of our time.

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.

DEMOCRATIC REPUBLIC OF THE CONGO: RICHARDSON TRAVEL

Q: Who did Richardson's delegation meet with on his trip?

A: Ambassador Richardson and his delegation met with President Kabila and delegation in Lubumbashi on Saturday, June 7, relief workers in Kisangani that same day, and civic groups in Kinshasa on Sunday.

Q: What issues did they discuss with President Kabila?

A: They discussed the readiness of the U.S. Government to build a new relationship with the government in Kinshasa and to offer U.S. assistance in promoting a democratic system, a free market economy and economic growth as well as cooperation on various aspects of reconstruction.

Richardson pressed for action on human rights and cooperation on refugee issues.

President Kabila committed to allowing a UN team to investigate allegations of killings of refugees by July 7 with an advance team to enter by June 20. He stated that DROC forces would abide by international humanitarian law and that transgressors would be prosecuted. He also agreed that the UNHCR and ICRC would have full access through the country to do their work.

Q: Where is Richardson going next? Does he have a return date?

A: Ambassador Richardson returned to New York on Sunday.

Q: Will Assistant Secretary Shattuck go to Rwanda?

A: He is there today.

Q: Who are the other members of the delegation meeting with and what issues and what issues will they discuss?

A: Other delegation members will continue to meet with cabinet and subcabinet ministers in Kinshasa for the next several days to discuss steps that can be taken to achieve our mutual goals.

Q: What aid has Richardson offered? Is it correct that he offered \$50 million?

A: No. It is too early to talk about amounts. We are first talking to the GDROC about its needs and then we will talk to Congress about specific projects.

Q: Have we offered military assistance?

A: No. The delegation was only beginning a dialogue on military cooperation.

Q: Has a DROC cabinet minister been named to work with refugees?

A: Not yet, although Etienne Mbaya has been named the contact for anything related to the UN investigation on human rights abuses.

REPUBLIC OF THE CONGO (BRAZZAVILLE)

Q: Status of evacuation efforts? Have any more Amcits departed?

A: French evacuation efforts resume today. Five private American citizens arrived in Libreville aboard French flights this morning and seven more were expected by the time this briefing takes place.

Our European military command deployed a 12-member evacuation survey and assessment team to enhance security at our Embassy and assist in evacuation efforts. This team arrived in Brazzaville at about 10:00 EDT.

Q: How many USG employees remain in the city? How many Amcits?

A: 13 core USG employees remain at our Embassy in Brazzaville. 15 non-essential staff and private Americans, who were at our Embassy yesterday, are now at Brazzaville airport awaiting evacuation flights.

Given that this is a very rapidly evolving situation, our total numbers on Americans remaining are soft. We estimate that there are 60-70 Americans still in Brazzaville at this time.

Q: Is the Embassy still in the line of fire?

Our Embassy is still in a very dangerous part of the city. Confrontation lines are currently difficult to determine.

Q: What is France's role? Are the French helping Amcits to depart?

A: France is helping to lead both sides to an effective cease-fire and is taking a leading role in evacuation efforts.

We fully support the efforts of the French government, and we appreciate the assistance France is providing to our Embassy and our citizens.

SIERRA LEONE: ALLEGATIONS OF GENOCIDE

Q: Do you have any information on Ambassador James Jonah's allegations that the rebels in Sierra Leone are planning a genocide in the event of a regional military intervention?

A: No. We have seen reports of Mr. Jonah's allegations in the press, but do not have any information to corroborate them.

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

A: We are not aware of any renewed fighting in Sierra Leone and believe the fragile calm continues.

We do not know the status of any talks between the Armed Forces Revolutionary Council (AFRC) and representatives from the Economic Community of West African States (ECOWAS) in Freetown.

We understand a delegation from the AFRC met with Ghanaian officials yesterday after talks in Cote d'Ivoire over the weekend. We do not have details of those talks.

Q: Where are the Nigerian forces and what are they doing?

A: The United States has no official personnel in Sierra Leone and our information on activities on the ground is limited. Nigerian troops from the Economic Community of West African States Monitoring Group (ECOMOG) forces remain in Freetown.

Resignation of Prime Minister

Q: What do you make of Haitian Prime Minister Smarth's decision to resign?

A: Haiti continues its difficult process of political and economic transition. We strongly support the continuation of economic reform in Haiti, which is essential to creating the climate for long-term growth. We are also working to strengthen Haiti's democracy; in this regard, I would note that this latest change in government is taking place in accordance with the relevant provisions of the Haitian Constitution and in a way that reflects respect for the institutions of Haitian democracy. We urge all elements of Haitian society to continue to work within the framework of Haiti's constitutional, democratic institutions.

SURVEILLANCE OF SCIENTOLOGISTS IN GERMANY

Q: What is the USG's reaction to Germany's decision to place Scientology under surveillance?

A: Our understanding is that Germany's state and federal interior ministers decided late last week to gather information on the Scientology movement. This decision was apparently based on the recommendation of an experts group.

We will certainly examine the details of this decision closely as more information become available.

The U.S. Government has in the past expressed concern about discrimination against Scientologists in Germany, specifically raising this issue in the annual State Department Human Right Report.

Q: Will the decision involve intrusive methods such as wiretaps, etc.?

A: We do not yet know the details of the decision, including what methods of observation will be used by law enforcement agencies, so it would be inappropriate to speculate on that.

LIBYA/PAN AM FAMILIES

Re letters Libya has been sending to Pan Am victims' families:

- There is nothing new here except for the new level of audacity demonstrated by such a cynical approach to the victims' families.
- His claim that he has renounced terrorism is belied by Libya's continued support for it, and Qadhafi's expressions of satisfaction with every bomb that kills innocent Israelis and damages the peace process.
- Qadhafi knows what he has to do to comply with his obligations under the resolutions of the UN Security Council.
- First and foremost, he has to surrender the two suspects in the bombing of PA 103 bombing to either the UK or US, both of which have legal jurisdiction over the case.
- Second, he must stop flouting UN prohibitions on Libyan flight activity.
- And third, he must renounce terrorism.

CANADA -- PACIFIC SALMON

Background: Every summer since 1994, we have had dispute with Canada over how to implement provisions of the Pacific Salmon Treaty of 1985. This year for the first time the stakeholders (fishing interests) on both sides have gotten together for talks; they made some progress but have not reached agreement. Canada walked out of government- to- government negotiations several weeks ago (during the Canadian election campaign) and Canada began enforcing regulations on U.S. fishing vessels-- four were pulled into port but all four have now been released. In a related move, British Columbia Premier Clark has said he is going to cancel the lease for our submarine testing facility at Nanoose Bay

- U.S. postponed talks set to resume May 30 because of Canadian seizures of U.S. fishing boats; created wrong climate for productive talks.
- Need to tone down rhetoric and reestablish talks in atmosphere of good faith.
- Working with our stakeholders so we can move forward when appropriate; no date set yet for resumption of talks.
- If asked: Clark's actions on Nanoose Bay are actually an issue between B.C. and Canadian government. Have received no official notice of termination of lease. No further comment.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

June 9, 1997

STATEMENT BY THE PRESIDENT

Withdrawal of General Ralston from Consideration for Nomination
as Chairman of the Joint Chiefs of Staff

I respect General Joe Ralston's decision to remove his name from consideration as Chairman of the Joint Chiefs of Staff.

I am pleased that General Ralston has agreed to Secretary Cohen's request to continue in his current post as Vice Chairman. For thirty-two years, in war and in peace, General Ralston has served our nation with uncommon distinction. As Vice Chairman, he is a valued advisor to me and he has played a key role in the Pentagon's review of its post-Cold War mission. The Joint Chiefs and our country will benefit from his continued service. He is an outstanding officer.

I also welcome Secretary Cohen's action to forthrightly and thoroughly review the military's standards and procedures involving personal conduct. It is essential that our system is reasonable, consistent and fair for those who serve our country and that it is perceived to be so by the American people.

I look forward to receiving Secretary Cohen's recommendation for the Chairmanship of the Joint Chiefs.

#

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.

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.

MADRID SUMMIT/NATO ENLARGEMENT

Gilman on NATO Enlargement

Q: Does the Administration support the Gilman on NATO enlargement?

A: The Administration supports and welcomes Congressional support for NATO enlargement. The Gilman bill, as amended by Representative Hyde, is consistent with our policy that NATO's door must remain open, and that the first new members to be named at Madrid shall not be the last.

Hyde's amendment names Romania, Estonia, Latvia and Lithuania as eligible for assistance under the NATO Participation Act. (Poland, the Czech Republic, Hungary and Slovenia were named in earlier versions of this bill.) It does not force the Administration prematurely or unilaterally to name countries as ready for NATO membership, but advances our policy of maintaining a steady and consistent policy of NATO's enlargement to countries ready to assume the responsibilities of NATO membership, when their membership will benefit NATO.

Sintra NATO Foreign Ministers Meeting

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.

Madrid Summit

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.

GISSINGER OP ED ATTACKING NATO-RUSSIA

Q: Any response to Kissinger's attack on the NATO-Russia Founding Act from the Sunday "WP"?

A: We are pleased by Kissinger's continued support for NATO enlargement, which he reaffirmed in his Op-ed piece of last Sunday. Unfortunately, Kissinger's piece also misunderstands and mischaracterizes the NATO-Russia Founding Act.

The Founding Act establishes a constructive partnership between NATO and Russia, even as NATO continues to take in new members. It neither replaces, weakens or dilutes NATO. Kissinger appears to have confused the NATO Alliance with the NATO-Russia arrangements. But the distinction is clear to every member of the Alliance.

NATO will take its own decisions -- and respond in cases of emergencies or threats to any of its members. The Founding Act says so explicitly (none of its provisions, "infringe upon or restrict the rights of NATO...") When all NATO members, including the U.S., agree, NATO may choose to take joint decisions with Russia. But as even FM Primakov has observed, Russia does not have a seat in the North Atlantic Council, which remains NATO's sole policy-making body.

Kissinger has called for the Senate to reaffirm the primacy of the NAC in setting NATO policy. We would welcome the Senate reaffirming a long-established position strongly and repeatedly affirmed by this Administration.

Kissinger charges that NATO's collective defense mission will somehow be weakened by NATO-Russia cooperation. Nonsense. NATO and the United States have repeatedly stated that NATO's prime mission will remain the collective defense of all its members.

General

NATO-Russia

- 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.
- 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

- Believe Yeltsin committed to START II ratification by Duma -- without conditions. Note that in May 20 meeting with Duma leaders 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-FRANCE: TOTAL DEAL

Q: What is your reaction to reports of a signed deal between Total and the Iranians to develop Iranian offshore oil?

A: As you know, we oppose significant investment in Iran's energy sector.

We have made clear our opposition to the proposed TOTAL deal to the French government. We remain engaged with Paris on this subject.

FYI--despite press reports, we can not confirm TOTAL has signed a deal)

REACTION TO IRANIAN STATEMENTS

Q: What is your reaction to new and apparently accommodating statements by Iranian President Khatami?

A: We look for indications that Iran is moving toward a more responsible approach to the region and the world community.

As we have often said, we have no animosity toward the Iranian people or an Islamic government per se.

Our concern is about the actual policies and practices of the Iranian regime.

The core of those concerns, as you know, are Iran's support for terrorism, Iran's pursuit of weapons of mass destruction, Iran's efforts to destabilize neighbors, and Iran's abuse of human rights.

We will judge Iran by its actions.

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.

U.S./ROK/DPRK Talks

Q: Can you provide a readout of the U.S./ROK/DPRK meetings in New York June 4 and 5?

A: Working-level meetings between the U.S., ROK, and DPRK took place June 4 and 5 in New York..

The lead participants were working-level officials from the South Korean Embassy in Washington (Counselor Soo Kyuck Lee), the Deputy Permanent Representative to North Korea's UN Mission (Ambassador Li Gun), and the Department's Office of Korean Affairs (Director Mark Minton) and the NSC (Asia Director Jack Pritchard).

We believe these meetings were useful and expect to continue such discussions. But I have nothing more regarding scheduling of any further meetings at this time.

As in the past, we do not wish to get into the details of our diplomatic discussions.

Q: Can you provide some more general background about these working-level trilateral talks?

A: The U.S., ROK, and DPRK agreed in April to continue working-level discussions aimed at realizing the U.S.-ROK proposal for four party peace talks.

The purpose of these meetings is to continue discussions at the working level to realize four party talks. The North Koreans are interested and willing to discuss it, but we have not yet reached an agreement to actually enter these talks. We will work patiently to realize this goal, through working meetings and other contacts. These diplomatic contacts are moving in the right direction, but we do not expect to have something new to report after each meeting.

[NOTE TO BRIEFER: The previous working-level meeting was May 30 in New York. That was the first such meeting involving the U.S. and North and South Korea since the April talks, though the three sides had remained in communication.]

Shooting Incident

- We understand there was an encounter between South Korean military ships and a North Korean patrol boat in ROK territorial waters 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.

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 hill as "stalled". That is not the case. Much progress has been made, though perhaps not as fast as we would prefer and significant issues still remain. The administration supports the concept of benchmarks; the negotiations are over specifically which benchmarks should be enacted into US law.
- The President is asking the Congress to pay the arrears over two years to give our negotiators the diplomatic leverage they need to secure these reforms. Many nations do not believe American promises to pay our arrears -- they've heard it all before. Five years is therefore too long and will not be credible. If we can demonstrate to other member states that the United States will pay off its debts in a credible amount of time, then we have a good chance of succeeding. But if we cannot, then our chances are practically nil.

U.S. HIGH PERFORMANCE COMPUTERS TO CHINA

Q: What has the Administration determined about the reported shipments of 46 “supercomputers” to China?

A: I cannot discuss business proprietary information on specific export cases.

In late 1995, the President decided to streamline computer export controls to allow exports of certain computers to civil end-users in countries like China, without prior U.S. Government review.

The systems eligible for this treatment are those that perform at a level between 2,000 and 7,000 MTOPS - Millions of Theoretical Operations per Second.

When the regulatory change became effective, companies became responsible for keeping specific records of such shipments, so that they could report on such sales as requested by the U.S. Government. We have been examining these records.

Our review of such exports to China that have occurred under this policy has thus far revealed no diversions to end-users of concern. We will continue to review the issue.

Q: Well, press reports indicate that some computers have gone to end-users engaged in missile development work. Doesn't this show that the President's 1993 and 1995 computer decisions were wrong?

A: As I noted, we have not identified such problems.

The President's decisions in 1993 and 1995 to streamline export licensing requirements for computers were based on interagency-agreed recommendations from Defense, State, Energy, the Arms Control and Disarmament Agency and Commerce.

The 1993 decision modernized an outdated set of controls that were focused on denying a wide range of low level computer technologies to the Soviet Union. The 1995 decision recognized the growing worldwide availability (or, uncontrollability) of computers. It also recognized that U.S.-origin computers should not be shipped to certain end users without explicit U.S. authorization.

This was, and is, a reasonable balance to our security and economic interests that was carefully considered and supported by all of the national security agencies involved in the export policy development process.

Q: What about the report today that Silicon Graphics also exported computers to China's Academy of Sciences last year?

A: We have been aware of this report. The Commerce and Justice joint investigation into the reported exports to Russia is examining the range of Silicon Graphics' exporting practices.

Q: In early 1996, the Administration liberalized its controls on computer exports. What level of computers were liberalized to China?

A: In January 1996, the Administration implemented the following computer export policy for a group of countries that includes China:

Computers at any level require an export license when the exporter knows, or has reason to know, that the shipment is being made to a facility engaged in, among other activities, the design, development, production or stockpiling of nuclear weapons.

Computers up to 2000 MTOPS may be sold to all other end users in Russia and China, including military end-users, without a license.

Computers up to 7000 MTOPS may be sold to strictly civilian end users for civilian uses, without a license.

Computers above 7000 MTOPS, for all end users/end-uses, require a license.

Q: Isn't it difficult for a company to know in every case whether an end-user is civilian, or military, or engaged in proliferation activities?

A: It can be. That is why U.S. exporters have been clearly instructed to contact the government (i.e., the Commerce Department) when they are uncertain about an end-user.

If an exporter had any doubts about the activities of an end-user, however, that company has an obligation to resolve those doubts or to contact the government for assistance.

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.

Elections

- We commend the government of Algeria for holding parliamentary elections and for inviting international observers to monitor them. We praise the Algerian people for their courage in voting. They are the best judge of how the election results will contribute to the process of national reconciliation in Algeria. A multi-party assembly holds the potential to move this process a step forward.
- We urge the government to address the issues raised by the international observers and political parties as Algeria prepares for municipal and local elections. The election campaign also marked a commendable increase in the openness of Algerian television and radio. We hope that the increased openness will continue as Algeria moves toward the peace, stability and democracy that so many Algerians have demonstrative they wish to achieve.

Q: Were the election results free and fair?

A: We are not going to characterize these elections except to say that it is up to the Algerian people to determine whether and how the elections can contribute to the process of national reconciliation.

Q: What about all these charges of fraud? Where do you come out on the truth?

A: I refer you to the report of the international election observers. It is an honest treatment. Further, we understand that a number of political parties have submitted complaints to the constitutional council of Algeria for resolution. It would not be appropriate for us to comment on those individual issues before the Constitutional Council has a chance to give its decision.

Q: How can you find anything positive in elections so marked with fraud?

A: We recognize that the process was not perfect. However, opposition parties across the spectrum are saying in public that there are positive elements in this process that they want to enforce. We urge the Algerian government and parties to work seriously on resolving problems that have arisen.

Q: Doesn't the low turnout invalidate the results of Algeria's June 5 election?

A: No the 65% level of participation is within the range of previous Algerian elections: municipal elections of 1990 - 62.17%; legislative elections of 1992 (first round) - 52.2%; and presidential elections of 1995 - 75%.

Q: Does the Absence of the FIS invalidate the elections?

A: We believe Algerians had a broad range of political choice in the elections, extending from two legal Islamist parties, through the opposition parties, to those supporting the government.

Q: Doesn't the President hold all of the power?

A: No. The elected assembly will have the power to propose legislation and to vote up or down the President's political program.

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.

MIDDLE EAST PEACE PROCESS

TALKING TO PALESTINIANS

If anyone asks which Palestinians we spoke with last week:

- We had informal consultations in Washington with P.A. senior official Faisal Husseini and P.A. Assistant Minister Nabil Shaath on assistance issues. Not directly related to peace process negotiations.

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 unshakable 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.

UN SANCTIONS

Q: What is your reaction to reports that support for UN sanctions on Iraq is eroding?

A: We are determined to see the sanctions regime remain until Iraq complies fully with all the UN Security Council resolutions.

The Security Council has met 37 times since 1991 to review the sanctions and each time has unanimously decided to keep them in place. We will continue to work with our coalition partners to keep sanctions in place and we are confident we will be successful.

The US Navy and our coalition partners continue to effectively enforce sanctions compliance in the Persian Gulf.

Q: What is your view of oil companies signing new agreements with Iraq to exploit its oil?

A: We oppose such deals as a violation of the sanctions. We have made clear to appropriate governments our opposition to such arrangements. We believe there is a good chance that a future government in Iraq after Saddam will not live up to any deal made by Saddam.

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.

Khobar Bombing

Q: What about the Sayegh story?

A: This is an ongoing investigation.

I am not going to comment on this issue.

The Administration's international trade agenda is on track and moving forward at full speed. In APEC, the Free Trade Area of the Americas, and in the WTO, the United States and the Clinton Administration are setting the agenda to open markets, expand trade, and increase domestic prosperity. More than 25% of our economic growth in the past four years has been driven by export growth.

- In the last six months, the U.S. led the world to conclude trade agreements in information technology and telecommunications which covered more than \$1 trillion in global trade. We just led the developed countries of the world to conclude an historic anti-corruption agreement among the 29 developed nations in the OECD. We are moving forward in financial services talks at the WTO.
- The President was personally involved in securing the ITA agreement, working with APEC leaders last Fall to build support for this agreement. APEC has already embarked on "ITA II" to expand the reach of this agreement and will consider other sectoral trade agreements this year.

The President and the Administration are actively engaged with the Congress on the trade agenda.

- We are now working in Congress to preserve MFN trade status with China -- normal trade relations -- a critical measure to protect the economic health of Hong Kong because half of U.S.-China trade goes through Hong Kong.
- We have secured commitments from the congressional leadership to address "fast track" on an expedited basis this Fall and conclude this year. This effort will involve the President, the Vice President, and the resources of the White House.

We would like to see Congress approve "fast track" in the Fall to ensure that we can gain the best possible trade terms on a reciprocal basis for U.S. companies and workers. The trade agenda has not been held back by the absence of "fast track" negotiating authority. We are moving forward in the FTAA, within APEC, and in the WTO on a wide range of negotiations including financial services.

- Fast track is important because trade barriers in the fastest growing markets in the world are much higher than ours, and fast track will increase our leverage to bring those barriers down and open markets.
- We will work with the Congress this summer to build consensus on the scope of fast track and how to address labor and environmental issues.

TRIPS AND VISITORS

- His Highness Sheikh Hamad bin Khalifa al Thani, Emir of the State of Qatar, will meet with President Clinton at the White House on June 11.
- 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.

BURMA

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

- 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 recent travel to the region 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.

IRISH ELECTION

Q: Any reaction to Irish election? Will results have any impact on peace process?

A: Though composition of new government not yet final, appears that composition of Ireland's governing coalition will change as a result of last Friday's election.

Had excellent, productive relationship with government led by Prime Minister Bruton.
Look forward to continued cooperation on peace process as well as European and other issues.

Congratulate Bertie Ahern, leader of the Fianna Fail (FEENA FOIL) party, for his party's strong showing. (Ahern will almost certainly be the next PM.)

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.

PEARSON DEPORTATION

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

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

MITCHELL RESIGNATION AS SAPASS FOR ECONOMIC INITIATIVES IN IRELAND

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

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

CONTINUED IRA VIOLENCE

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

ON WHETHER IRA NEEDS TO DISARM BEFORE JOINING TALKS

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

What is your reaction to the study published today in the New England Journal of Medicine showing no evidence that Persian Gulf veterans face increased risk of having children with birth defects?

- We welcome publication of this first-rate study addressing an important concern of the men and women who served our nation in the Persian Gulf.
- The study compared the birth records of children born at military hospitals to virtually all active duty military members who served in the Persian Gulf (a total of nearly 580,000 men and women) with those of a parallel group of 700,000 service members who were not deployed to the Persian Gulf. The results should reassure all Persian Gulf veterans, whether or not they personally have experienced possible Gulf War-related illnesses, that their family planning can proceed without worry about second-generation health problems related to Persian Gulf service.
- We also note that this study is just one element in a large and comprehensive research program being conducted by many researchers in coordination with DOD, HHS, and VA. Additional research designed to address other important Persian Gulf-related health concerns in as thorough and credible a manner remains in progress, and we look forward to communicating future results to Persian Gulf veterans and others as soon as they become available.

How do you respond to criticism that because the study omitted some populations, it may have overlooked evidence of increased risk of birth defects?

- My understanding is that the New England Journal of Medicine is a well-respected publication with high standards for the quality of the research published.
- Beyond that, I would have to refer you to the study authors and their peers in the scientific community who are qualified to discuss the details and evaluate the merits of this study.

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.

GINGRICH AND NICARAGUANS

Background: Rep. Gingrich reportedly wrote to AG Reno on behalf of thousands of Nicaraguans who are here illegally and are subject to deportation. During the Reagan Administration, AG Meese ordered that these deportation of illegal Nicaraguans be suspended, and that order was in effect rescinded some years ago (during the Clinton Administration). However, during an interim period, INS has continued to permit Nicaraguans here illegally to obtain work authorization, but this will end this month. At the same time, the new immigration law makes it much harder for these illegal Nicaraguans -- as well as all illegals -- to make hardship applications to stay in the U.S.

The President has expressed concern about changes in the law that make these hardship applications harder to file for a range of people (beyond Nicaraguans); thus -- without focusing on Nicaraguans per se -- we should note that Gingrich's sentiments are similar to our own.

Points

- We have not seen the Gingrich letter, but will study it carefully.
- We have seen the Speaker's comments, and -- as the President has indicated -- we very much share the Speaker's concerns about certain aspects of the recently enacted immigration law that could have serious humanitarian implications for families here.
- Thus, we were encouraged by the Speaker's sentiments, and hope that they can form the basis for an Executive-Congressional dialogue that looks at ways to ameliorate these harsh measures without undermining immigration control.