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Daily Press Guidance - June 16, 1997

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6/19/97

Daily Press Guidance

Monday
June 16, 1997

(For internal use only.)

updated in
G-drive 6/7/97

Press Guidance
Monday, June 16, 1997

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Events

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Foreign

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Slavery Apology - Race Initiative

Press Guidance

June 16, 1997

- * The President only became aware of the congressional apology resolution over the weekend and wants the chance to fully think through the issue. Under the right circumstances, i.e. Tuskegee, the President believes formal apologies can serve a useful purpose.
- * The President did say that the symbolic effect of a formal apology can not replace the concrete actions we should be taking to enforce civil rights laws and work to breakdown racial barriers in America.
- * Given the importance we have placed on dialogue in issues of race it would be counterproductive to dismiss any issue, however symbolic, without allowing for a full discussion of the issue.

Lockhart per Mathews and Moore

TALKING POINTS ON THE ADMINISTRATION'S DECISION TO ARGUE THE CONSTITUTIONALITY OF CAMPAIGN SPENDING LIMITS

Our Position:

- After months of consultation, the White House and the Solicitor-General's Office have now agreed to argue before the Supreme Court, at the next appropriate opportunity, that campaign spending limits are constitutional. (The 1976 Supreme Court ruling *Buckley v. Valeo* struck down spending limits enacted as part of federal campaign finance reform. The spending limits in the McCain-Feingold legislation are voluntary.)
- Within recent years, two mandatory spending limit provisions were imposed in Ohio. Right now, there are two cases challenging spending limits before the Sixth Circuit which may reach the Supreme Court. If either of these cases gives us an appropriate opportunity to establish that spending limits are constitutional, the Solicitor-General will file an Amicus brief in support of our position.

Why Does the Supreme Court Need to Clarify *Buckley v. Valeo*?

- *Buckley v. Valeo* held that the federal campaign spending limits in place at that time were unconstitutional, essentially arguing that campaign money was a form of constitutionally-protected free speech.
- The *Buckley* decision, while arguably reasonable at the time, is now clearly a barrier to meaningful campaign finance reform. We believe the Court would have ruled very differently if it knew then what we know today -- the 700% increase in the cost of federal elections since then, the massive amounts of time candidates now spend raising money, the way all that money has created the appearance and potential for corruption in our political system. If the Court has a chance to reconsider *Buckley* -- considering the explosion of campaign spending and the effects it has had -- we believe it will rule that spending limits are constitutional.
- NOTE: The Court's logic in 1976 was that contribution limits are constitutional, because they protect the integrity of the system, but that mandatory spending limits are not constitutional, because they interfere with speech -- and because unlimited spending does not pose as serious a threat of corruption.

Two Cases Likely to Bring the Issue of Spending Limits Before the Supreme Court:

- *Kruse v. Cincinnati* is a challenge to a Cincinnati ordinance which sets spending limits on local campaigns -- with a ceiling that is three times the salary of the office being sought. The ordinance is being challenged by John Cruse, an unsuccessful City Council candidate.
- *Suster v. Marshall* is a challenge to spending limits in judicial campaigns imposed by the Ohio Code of Judicial Conduct. Ronald Suster, a judicial candidate, is challenging the

\$75,000 spending limit for campaigns for the position of Judge of the Court of Common Pleas.

- In both cases, lower courts have already struck down the spending limits, using the Buckley decision as the reason.

There is Strong, Bipartisan Support All Across the Country for Our Position:

- In *Kruse v. Cincinnati*, Amicus briefs for spending limits have already been filed by:
 - 24 State Attorneys General (18 Democrats and 6 Republicans)
 - 19 State Secretaries of State (15 Democrats and 4 Republicans)
- In *Suster v. Marshall*, Amicus briefs have already been filed by:
 - 22 State Attorneys General (18 Democrats and 4 Republicans)
 - 8 State Secretaries of State (7 Democrats and 1 Republican)
- The Brennan Center for Justice, led by former ACLU legal director Burt Neuborne, has filed an amicus for spending limits.

GUIDANCE ON INTERNET/COMMUNICATIONS DECENCY ACT
JUNE 16, 1997

Q. The *New York Times* reported this morning that the Administration has changed its views on the Communications Decency Act. Is this true?

- * No, this is not true. The Administration continues to believe that the Communications Decency Act is constitutional, as the Justice Department argued before the Supreme Court.
- * The draft paper on electronic commerce that the Times story is referring to does not address the constitutionality of the Communications Decency Act.
- * However, it does reflect our interest in promoting a “kid-friendly” and “parent-friendly” Internet. **Regardless of how the Supreme Court rules on the constitutionality of the CDA**, we believe that parents should have the tools they need to prevent their children from getting access to inappropriate material.
- * As the President mentioned in West Virginia at his education town hall on May 22nd, the Administration has been talking to industry to explore what steps they could take to increase the availability of filtering technology.
- * This is important to do regardless of the Supreme Court’s ruling on the Communications Decency Act.

TOIV

Based on guidance from Kalil/NEC

SPECIAL

Tobacco talks – Talking points
(Skolfield/Zonana – HHS)

5/16/97

Background: The Wall Street Journal reports this morning that, amid "intense dissension" within the administration, Secretary Shalala vowed that any settlement would get "a very careful and thorough" vetting before being embraced by the administration.

Suggested talking points:

- The is no disagreement within the Administration on the need to carefully review any settlement. As the President has said on many occasions, any settlement will have to be reviewed carefully from a public health standpoint. Our focus will stay squarely on protecting kids and the public health.
- The Administration is monitoring the talks. The Administration has not reached a judgment on the kind of settlement the parties appear to be discussing, and is not trying to encourage or close the deal.
- Secretary Shalala's comments to the Wall Street Journal were completely in line with what she and other members of the Administration have been saying for weeks, namely, that any settlement would undergo strict scrutiny from a public health standpoint.

6/11/97

Talking Points on Tobacco Settlement Talks

o The Administration is closely monitoring the settlement talks among the tobacco industry, state attorneys general, public health groups, and private lawyers. Any agreement would have to be passed by the Congress and signed by the President.

o We will carefully review any settlement that emerges from the discussions, and we will seek the advice of the public health community. As the President has said, in reviewing any settlement proposal, our focus will stay squarely on protecting kids and the public health.

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

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

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

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

Press Guidance
June 16, 1997

PENSIONS

[Background: The LA Times and USA Today reported today on underpayment of private pensions. Figures from the Pension Benefit Guaranty Corporation indicate that at least 8 percent of employees who get lump-sum payouts from pension plans that have ended (8 percent of 289,000 people) aren't getting all the money they are entitled to. The Senate Special Committee on Aging is holding hearings today to examine this problem. It is not clear that businesses are deliberately underpaying retirees; the bulk of the underpayments seems to result from miscalculations. **Note that the USA Today story is wrong in at least one respect. It indicates that 8 percent of all employees are underpaid; in fact, only 8 percent of employees in plans that have ended are underpaid, i.e. 8 percent of 289,000 people.) CNN ran a story that was even more inaccurate this morning, saying that 14 percent of 80 million workers are underpaid. In fact, the 14 percent figure specifically referred to raw data from a sample affecting 382 people.]**

- Obviously, this is a matter of some concern to the White House. We want to make sure that Americans who work hard receive the pensions they have earned.
- Pension reform has been a top priority of this President Clinton's:
 - As part of the President's reinvention effort, the government has established a toll-free number to help Americans get information about pensions.
 - The President's efforts to restore solvency to the PBGC led that agency last year to its first surplus since it was created. As a result, millions of Americans' pensions are more secure.
 - The President has also undertaken an effort to crack down on pension fraud and to make it easier for small businesses to create pension plans for their employees.
- We share Senator Grassley's concerns about this problem, and we commend him for his efforts to draw attention to this problem and to educate Americans about how they can make sure they are receiving the pension they have earned.
- The White House has instructed the agencies which have some jurisdiction over pensions - IRS, PBGC, Treasury, and Labor -- to work closely together to identify potential solutions to this problem.

NEC: (Consulting with the Labor Department and PBGC)

Climate Change

June 16, 1997

Background: An administration report on the economic effects of climate change has leaked to several trade reporters and was written up yesterday in Inside EPA. It is unlikely to have percolated up to the White House press, but just in case.

[IF ASKED]

Q: What are the main findings of the Administration's report of the economic effects of climate change policies?

A: The Administration has convened a team of economists from across the federal government to analyze the effects of various climate change policies. Eventually, that work will help U.S. policy makers weigh the costs and benefits of climate change policy choices.

A very preliminary draft report prepared by that team has been sent out for review by a panel of outside experts to ensure that our modeling is consistent with work done in the private sector. A copy of that work in progress was leaked prior to the reviewers' comments being incorporated into the analysis. Therefore, any "results" cited from this draft document should be treated as very preliminary and subject to change.

The administration's economic analysts are continuing their work on this matter, addressing the large number of comments received, and updating their results as appropriate.

While very preliminary, the results do suggest that the U.S. economy is dynamic and robust and will be able to accommodate flexible policies that could constrain greenhouse gas emissions.

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Press Guidance
June 16, 1997

DNC DINNERS

- 6:45 pm African American Leadership Dinner -- Mark Moriel (Mayor of New Orleans) will introduce POTUS. Sheraton Carleton Hotel. *FYI Briefer -- \$10,000 couple.*
- 8:10 pm Jewish Leadership Dinner -- Hay Adams Hotel. *FYI Briefer -- \$25,000 couple.*

Refer to DNC for more information.

Silverman
per Melissa Bonney/DNC

Press Guidance
June 16, 1997

TITLE IX EVENT

Tomorrow, at 11am in OEOP Room 450, the President will host an event to commemorate the 25th anniversary of Title IX of the Education Amendments of 1972. The President will use this opportunity to recognize the significant progress our nation has made in increasing educational opportunities for girls and women and to urge us all to recommit ourselves to the goals of this important legislation.

The President will also announce new action to improve Title IX enforcement and extend its non-discrimination principle to areas currently not covered by the law.

At this event, the President will be joined by the First Lady and various women who represent the progress our country has made, including Jackie Joyner-Kersey, the accomplished track and field athlete, and Sally Ride, the first American woman to fly in space.

Silverman
per Rabner/OPD

- Tomorrow at 1:15 the President will be speaking about our bipartisan initiative for growth and economic opportunity in Africa.
- OPEN PRESS, ROOM 450

WHY IMPORTANT? WHY NOW?

- Africa is on doorstep of new era of growth, promise and opportunity. Most hopeful period in Africa since just after independence. Economies growing, democracy spreading, many conflicts ending.
- Major Administration goals for Africa:
 - 1) U.S. committed to defending US against threats to our national security i.e.: regional instability, terrorism, crime, narcotics, weapons proliferation, environmental degradation, disease.
 - 2) promote Africa's full integration into the global economy by:
 - galvanizing sustainable development through private sector-led growth and continued development assistance;
 - working to resolve conflicts
 - promoting and sustaining democracy.
- Among top priorities for Africa is promoting implementation of reformed policies that will accelerate growth and economic development in Africa.

BIPARTISAN EFFORT

- President welcomes leadership of many members of Congress on integrating Africa into the global economy.
- Event tomorrow will affirm commitment to work w/Congress to pass swiftly comprehensive, forward-looking new legislation to promote increased trade and investment in Africa.
- This unified bipartisan effort represents unprecedented agreement within USG on importance of Africa and need to work with African governments in a substantive and collaborative partnership to build economic and human potential of the continent.

- This domestic effort is tied closely to the efforts we will undertake later this week at the Denver Summit -- Africa major agenda item.
- Indicative of continuing commitment by the President to the continent:
 - committed to trip to Africa in Second term
 - continuing engagement on conflict resolution (African Crisis Response Force Initiative, Liberia, Angola)
 - working for growth and partnership with Africa for 21st century (Binational Commission w/South Africa, trade initiative)

WALK THROUGH EVENT

Speakers (in order)

The First Lady
 Representative Crane
 Representative Rangel
 Representative McDermott
 Djibouti Ambassador Roble Olhaye (al-HAY), Dean, African Diplomatic Corps
 Ernest Micek, CEO, Cargill
 The President

Participants

Members of Administration

The President
 The First Lady
 Robert Rubin, Secretary of the Treasury
 Richard Daley, Secretary of Commerce
 Rodney Slater, Secretary of Transportation
 Charlene Barshefsky, United States Trade Representative
 Frank Raines, Director, Office of Management and Budget
 Sandy Berger
 Dan Tarullo
 Brian Atwood, Administrator, USAID
 Mildred Callear, Acting President and CEO, OPIC
 Susan Rice, Senior Director for African Affairs, NSC

Business Leaders

Larry Bailey, CEO, Coopers-Lybrand
 Christopher Caine, CEO, IBM
 Mel Clark, CEO, Metroplex Corp.
 Andreas Dwayne, CEO, Archer Daniels Midland
 Bob Johnson, Chairman and CEO, Black Entertainment Television
 David Eller, President/CEO, MWI Corporation
 Ernest Micek, CEO, Cargill
 Frank Savage, Chairman, Alliance Capital Management International
 Marketing

Maurice Tempelsman, Chairman, Lazare Kaplan International, Inc.
Stephen Elbert, Vice President, AMOCO
Wade Robert, Vice President, Pratt Whitney
Christopher Caine, Vice President, IBM
Bob McGee, CEO, Occidental

Members of Congress

Senator Jesse Helms, Chairman, SFRC
Senator Richard Lugar, SFRC
Representative Benjamin Gilman, Chairman, House International Relations Committee
Representative Amo Houghton, House Africa Subcommittee, HIRC
Representative Philip Crane, Ways & Means
Representative Bob Matsui, Ways & Means
Representative Jim McDermott, Ways & Means
Representative Chaka Fattah
Representative Earl F. Hilliard
Representative Sheila Jackson Lee
Representative William J. Jefferson
Representative John Lewis
Representative Cynthia McKinney
Representative Major Owens
Representative Donald M. Payne
Representative Charles B. Rangel
Representative Maxine Waters
Representative Albert Wynn

International Organizations

James Wolfensohn, President, World Bank

NGO/Constituency Groups

David Dinkins
William Gray, President, United Negro College Fund
Jack Kemp, Empower America
C. Payne Lucas, President, Africare
Donald F. McHenry, University Research Professor of Diplomacy, Georgetown University
Mora McLean, President, African-American Institute
Jeffrey Sachs, Director, Institute for International Development, Harvard University
Andrew Young, Co-Chairman, GoodWorks International

KEY ELEMENTS OF AGENDA:

Economic

- Efforts to promote growth and reduce social risks in world economy; encourage reduction of deficits, investment in people and export-led growth. Increase efforts to fight corruption and money-laundering.
- Push for sound macroeconomic and financial policies and structural reforms to allow markets to function effectively in the global economy.
- Encourage strengthening of small and medium-sized businesses.

Aging

- Focus on “active aging” populations, including strengthening pension and healthy systems and encouraging medical and behavioral research.

Security

- Confront global security threats including money-laundering, cyber-crime, drug traffic, terrorism, weapons of mass destruction, nuclear smuggling.

Health

- Accelerate work on AIDS vaccine research.

Environment

- Facilitate transfer of environmentally sound technologies, promote child survival and sustainable development, take action to address greenhouse gas concentrations, advance efforts on environmental health and reform of U.N. environmental programs.

Russia

- Further efforts to integrate Russia into international financial institutions, including Paris Club, WTO and OECD.

Africa

- Africa Trade Initiative: Improve market access in industrialized countries for African producers, strengthen assistance to promote economic reform and trade liberalization, target assistance to public administration and civil society programs, enhance food security, strengthen peacekeeping capabilities.

Democracy

- Launch year-long effort to advance and coordinate human rights and democracy programs.

RUSSIA AND THE DENVER SUMMIT

- The Denver Summit of the Eight is a milestone in Russia's new role as an international partner committed to democracy and competitive international markets.
- Russia's role at Denver builds on several years of successful cooperation among the Eight:

Munich 1992 -- Yeltsin joins for one meeting;

Tokyo 1993 -- Yeltsin joins for a discussion on Russia;

Naples 1994 -- Yeltsin joins regional political discussion;

Halifax 1995 -- Yeltsin joins political and global discussions;

Moscow 1996 -- Russia hosts Nuclear Safety and Security Summit;

Lyon 1996 -- Russia joins political and global discussions.

- At Denver, the Eight will review key international political issues and strengthen cooperation on global challenges such as combating international crime, drugs, terrorism and infectious diseases and protecting the environment.
- Denver will mark the first time Russia participates in Summit discussions on economic issues such as the economic consequences of the aging of our populations, the role of small and medium enterprises in job growth and the impact of globalization on our societies.
- While at Denver, the G-7 will hold one meeting on certain financial and economic matters such as international monetary policy and will provide guidance to the International Financial Institutions.
- We expect the trend of Russia's increased cooperation with the Eight will continue after Denver. Prime Minister Blair has indicated he plans to use the Denver model next year at Birmingham.

(If raised -- G-7 continue to meet separately?)

- We expect the G-7 leaders will meet as necessary on core economic and financial issues.

(If raised -- is there a full G-8?)

- The role of the Eight continues to evolve and will grow in the future. You should also expect that the Seven will meet as necessary on core economic and financial issues.

Appointment of Mary Robinson as UN High Commissioner for Human Rights

- U.S. welcomes the appointment of Mary Robinson as UN High Commissioner for Human Rights.
- Robinson has been tireless and effective advocate for human rights throughout her career.
- U.S. has long sought to strengthen international mechanisms to promote human rights, principally the UN Human Rights Commission. Secretary General Annan's selection of a high-profile personality to lead UNHRC sends an important signal.
- Look forward to working closely with Mrs. Robinson to promote respect for human rights around the world.

UN Arrears

Q: What is your response to Annan who said Thursday that the United States has a tough job ahead of it to convince the rest of the world to go along with its demands for UN managerial and financial reforms, especially lowering its assessment rates?

A: We agree with the Secretary General; this will be a challenge for U.S. diplomacy. But we are confident that once the UN member states look at all the details of the final plan that will emerge from Congress, once they see that a reformed UN will be stronger, more effective, and more relevant, they will support this initiative.

Q: Have you reached agreement with Chairman Helms on UN Arrears?

A: The bill the Senate Foreign Relations Committee is scheduled to mark up this week represents a major breakthrough in our discussions with the Congress on UN arrears. We are continuing to work with the committee on the details. The administration appreciates the good faith effort that Chairman Helms, Senator Biden, and other members of Congress have made to work with us on the issue. We should keep in mind, however, that today's Senate action is only one step in the legislative process.

Q: What are the terms of the agreement?

A: The Senate bill would authorize the payment of \$819 million in arrears to the UN and other international organizations over the course of the next three fiscal years (FY98 - FY00).

The release of the arrears payments would be conditioned on meeting a reform benchmarks in each of the three fiscal years. These benchmarks include reducing U.S. assessments from 25% to 20% and cutting the budgets of the UN and other international organizations.

Q: Doesn't the Senate figure fall short of the President's FY98 request?

A: The SFRC's bill provides most of what the President requested. Most important, the bill would enable us to pay off our arrears to the UN regular budget and to UN peacekeeping.

Q: Can the Administration deliver the reforms the deal calls for?

A: The bill contains some very tough reform conditions. We are concerned with some of the provisions and are continuing to discuss them with the Committee. Like Congress, however, we believe that the United Nations needs to embrace extensive reforms if it is to remain relevant in meeting the challenges of the next century.

On House Bill:

- Had good discussions with members on both sides of aisle on State bill now being considered by House.
- Encouraged by efforts to come to agreement on reorganization language.
- There are other problems with the bill (Mexico City family Planning language and foreign policy micromanaging). But if the reorganization language is good -- i.e., it gives the President the flexibility he needs -- and there are adequate funding levels (close to President's budget), then we hope to be able to support the bill moving along the legislative process.

On Senate Bill:

- Major step forward on UN reform. Still working with committee on details.
- Negotiations continue on reorganization language. No deal yet.
- Devil is in the details. President needs flexibility to implement an effective reorganization plan.

DEMOCRATIC REPUBLIC OF THE CONGO

June 11, 1997

UN HR INVESTIGATION

Q: What is the status of the UN investigative team going to the Democratic Republic of the Congo?

A: The officer in charge of the UN human rights center in Geneva has met with his senior staff. They are organizing the advance team. The team will consist of human rights officers, Secretariat officials, investigators and forensic experts.

Q: Who will be on the team?

A: We don't have the names yet. We refer you to the UN Human Rights Center for the list of names.

Q: When will the team leave?

A: An advance team expects to deploy in the DROC by June 20. The full investigative team expects to deploy by July 7.

Q: (if asked) What is the U.S. doing about reports of massacres in Eastern Zaire?

A: The allegations are of grave concern to the United States. There are many seemingly credible reports from various sources that serious human rights violations have been, and continue to be, committed in eastern Congo against civilians.

For several months, we have been pressing our concerns with the Alliance leadership and at the highest levels with neighboring governments.

Ambassador Richardson, Assistant Secretary for Human Rights Shattuck, and other U.S. Government officials have been in the region recently meeting with DROC Government officials, representatives of civil society, non-governmental organizations and others. The U.S. Government has given a clear and consistent message that killings must stop and that a UN investigative team must be allowed to do its work.

President Kabila committed June 7 to admit 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 throughout the country to do their work.

We welcome this pledge and expect President Kabila to honor his commitments.

Q: (If asked) Who has committed the excesses? Is it Kabila's forces or is it the Rwandans?

A: We don't know. That is what the UN investigative team will try to find out.

REFUGEE UPDATE

Q: Would you provide an update on access and assistance to refugees remaining the Democratic Republic of the Congo?

A: We remain extremely concerned about the well-being of the Rwandan refugees who remain in the DROC.

With the airlift of the more than 50,000 refugees who were found in areas accessible to the international community, the refugee relief effort is shifting to a search and rescue mode.

It is essential that UNHCR and other relief agencies be allowed immediate access to all areas where refugees have been reported, particularly in light of allegations that the killing of refugees may be continuing.

It is imperative that the new government of the DROC ensure the protection of the refugees as well as of humanitarian workers.

President Kabila assured Ambassador Richardson on June 7 that he would grant full access throughout the country to UNHCR and the International Committee of the Red Cross (ICRC).

While we welcome this assurance, we wish to state once again that words are not enough and that immediate action is needed.

Q: How many refugees have been airlifted back to Rwanda and what information do you have on the whereabouts of others?

A: The airlift of refugees as they emerge from the forest is continuing.

Over 50,000 Rwandan refugees have now been airlifted back to Rwanda:

39,700 refugees from Kisangani

7,150 from Mbandaka on the border with Congo (Brazzaville)

3,288 from Tingi-Tingi/Amisi, Punia, and Kindu

A number of humanitarian search teams and refugee collection points have been set up south and southeast of Kisangani, in the Mbandaka area, and west of Goma.

UNHCR plans to begin searching in the Boende area, east of Mbandaka, where there are reports of several thousand refugees and in Ikela, 200 miles southeast of Kisangani.

While this access is welcome, it is not enough. There are other areas where refugees have been reported where UNHCR and others are still not allowed to travel.

Q: What is happening to the refugees who fled to Congo (Brazzaville) given the present fighting there?

A: Approximately 30,000 Rwandan refugees had crossed into Congo (Brazzaville).

With the outbreak of fighting, UNHCR has been unable to gain access to the refugees since June 5.

There are reports of DROC refugees, who fled to Congo Brazzaville, and Congolese citizens crossing the river into the DROC. We do not have any numbers at this time.

REPUBLIC OF THE CONGO (BRAZZAVILLE)

June 16, 1997

Q: Situation/fighting update?

A: Brazzaville is still largely quiet, but sporadic artillery and machine gun fire resumed over the weekend and continued this morning despite an agreed cease-fire. There was reportedly heavy fighting in the vicinity of the airport yesterday.

Q: Any progress in peace negotiations?

A: Negotiations are just getting underway in Gabon under the leadership of President Omar Bongo. Representatives of Congolese President Lissouba and former President Sassou -- the two combatants in the fighting -- arrived in Libreville yesterday. Presidents Patasse (CAR), Deby (Chad), and Konare (Mali), and the Senegalese Foreign Minister arrived today to assist in these negotiations. UN Representative Sahnoun is also present. Thus far, there are no reports on progress.

Q: Are we concerned about French troops withdrawing? Are we thinking of closing our Embassy?

A: We understand the French Government decided to withdraw their forces and that this withdrawal is currently underway.

We greatly appreciate Government of France assistance with evacuation efforts and provided security for safe departure.

Without the assurance of airport security currently provided by the French, we will most likely suspend Embassy operations and withdraw all official Americans.

Q: Are all Amcits out who want to go?

A: We are still in the process of confirming that all American citizens who wish to leave the Republic of Congo have done so.

There are still 12 official American and 12 member ESAT team at our Embassy.

One Peace Corps volunteer -- Laura Rice -- has not been located yet. We continue to work through all available channels to locate her.

SIERRA LEONE: UPDATE

June 11, 1997

Q: What is the U.S. reaction to reports of the coup leaders demanding \$46 million to stop down? Who will pay this demand?

A: We do not know whether the coup leaders in Sierra Leone have made any demands for payment to return authority to the democratically-elected government. The Armed Forces Ruling Council (AFRC) spokesman has reportedly denied that any such request was made.

The United States supports the position taken by the Organization of African Unity (OAU) in Harare calling on the international community to refrain from recognizing the new regime or lending support in any form to the perpetrators of the coup d'etat.

KENYA: ELECTIONS

June 12, 1997

- Q: The New York Times reported last week that Amnesty International has announced that national elections in Kenya, due later this year, will not be free in the absence of constitutional reforms and the repeal of repressive public order laws. What is your reaction to that?
- A: We are following the current electoral campaign in Kenya with interest and concern. We urge both the government and political and human rights leaders to choose dialogue over confrontation in order to avoid the violence which has marred several recent public rallies. We call on the Kenyan government to take steps without delay to ensure that both the campaign and the balloting are conducted in accordance with international standards and can be judged as free and fair the international community.

NIGERIA: POLICY REVIEW

June 16, 1997

Q: Is the Administration reviewing its policy toward Nigeria? Are we seeking engagement and improvement in cooperation with Nigeria rather than further sanctions?

A: We continuously fine-tune our policy to ensure it is appropriate to developments in Nigeria with the aim to pursue U.S. interests as effectively as possible. The State Department has ongoing internal discussions on the direction of our policy and these continue.

We always look at the normal array of diplomatic and other tools we have used and might use to promote our long-standing objectives on a wide range of political and technical issues.

Background: NEC principals decided on Friday that our objective remains open skies, but that we are willing to discuss a transition agreement that results in open skies. Japan has steadfastly opposed an open skies agreement, and has resisted a transition agreement as well. Northwest, holding the largest share of the U.S.-Japan passenger market, wants the USG to stand firm for a pure open skies agreement. Other U.S. carriers, including United, Delta, American and Continental, do not want to await a pure open skies accord if it means foregoing a deal that significantly expands opportunities for them in the near term.

We are taking a firm position on violation of FedEx rights. The Department of Transportation had threatened sanctions in July of 1996, but had not imposed them. Principals feel it is important to send a clear signal that we will not wait forever for this to be resolved.

Q: What is the U.S. position in civil aviation negotiations with Japan?

A: We expect talks between the United States and Japan will resume shortly. The United States continues to seek a fully liberalized open skies civil aviation regime with Japan in a reasonable time frame.

Q: What does this mean for Federal Express? Are their rights being violated?

A: The U.S. position has not changed. We continue to believe that Japan has violated FedEx rights under our 1952 aviation agreement with Japan. It is important that this issue be resolved soon.

Meeting with Bishop Belo of East Timor

[Background for Briefer's Information only: Sandy Berger will see Nobel laureate Bishop Belo of East Timor on Wednesday, and the President is expected to drop by. Some questions may be asked as to why the President would see Belo but not see Jose Ramos-Horta, Belo's co-recipient of the Nobel Prize. (Ramos-Horta's representative requested a meeting with the President last year, and was told that such a meeting would not be possible.) To be sure, a Presidential meeting with Ramos-Horta is more difficult than a meeting with Belo. Ramos Horta has been a prominent member and spokesperson for an insurgent group involved in armed conflict with the Government of Indonesia. Thus, a Presidential meeting could risk conveying U.S. support for political goals that go beyond human rights, democratic reform and reconciliation.]

Q: Why is the President seeing Bishop Belo of East Timor?

A: Bishop Belo has been steadfast in his support for human rights, peace and reconciliation, and President wanted to meet with this prominent spiritual leader to express support for his efforts to promote these goals in East Timor.

Q: Why see Bishop Belo but not Ramos-Horta?

A: While President cannot possibly see everyone who requests a meeting, he saw the Belo visit as a special opportunity to convey U.S. support for the efforts of those working to bring human rights, peace and reconciliation to East Timor.

Would note that Mr. Ramos-Horta has seen several senior U.S. officials, including, most recently, Under Secretary of State Timothy Wirth.

We share Mr. Ramos-Horta's concerns about human rights in East Timor, as well as the need for reconciliation, and we recognize his 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.

Q: Would President consider seeing Ramos-Horta in the future?

A: Not prepared to speculate about President's schedule.

Q: Is the White House boycotting Ramos Horta?

A: No. 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.

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.

Roger Tamraz's Arrest in Georgia

Q: Has Roger Tamraz been arrested in the Republic of Georgia?

A: If we learn of the arrest of an American citizen abroad, we seek Consular access as soon as possible. During the Consular visit, the American citizen can sign a Privacy Act waiver for release of information to family, friends, the media, etc. Privacy Act considerations prevent us from releasing details about individual American citizens without his/her consent.

[If pressed]: We have heard reports that a Roger Tamraz has been detained by Georgian authorities. At this time it is unclear under what charges he is being held. Our Embassy in Tbilisi is presently seeking access to Mr. Tamraz. Privacy Act considerations prevent us from releasing details about Mr. Tamraz without his consent.

[Note to Briefer : Do not refer to him as the Foreign Minister, call him by name.]

Q: Is Taiwan Foreign Minister John Chang visiting the U.S.? What is he doing?

A: John Chang is visiting the Western United States for programs with two private organizations.

It has been our practice to allow Taiwan ministers to visit the U.S. for private activities. Mr. Chang's predecessor Chien Fu also visited the United States at the invitation of private organizations.

Mr. Chang will not visit Washington.

We consider this to be a routine element of our unofficial relationship with Taiwan.

Q: Did the Chinese protest Chang's visit or his activities in the U.S.?

A: The Chinese government has expressed concern over Mr. Chang's visit. We have explained our policy.

Q: Has Chang been here before?

A: Mr. Chang last transited the U.S. in December.

If pressed:

Q: Will he be meeting with USG officials?

A: We have no plans to meet with Mr. Chang.

COSCO/LONG BEACH

- The Treasury-lead Committee on Foreign Investment in the United States (CFIUS) is still conducting a national security review of COSCO/Long Beach. We expect the review will be completed shortly.

CHINA/TAIWAN

Q: Can you comment on reports that China and Taiwan will stage exercises in the Taiwan Strait, risking an increase in tension during the Hong Kong transition?

A: We think those reports should be checked for accuracy with Taipei and Beijing. We have no evidence of any large-scale military exercises scheduled by either Taiwan or the PRC. We believe Taiwan's plans are modest in scale and non-provocative. We have no indications that the PRC is planning large-scale exercises similar to those carried out last year.

We believe both sides have shown restraint in military deployments the Taiwan Strait, and urge them to continue efforts to improve dialogue and further reduce tensions.

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.

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.

Lobbying on Helms-Burton

Background: Cuban Vice President Lage, Foreign Minister Robaina, and Deputy Foreign Minister Allende and others have been visiting various Latin American and European countries over the past week to encourage opposition to the Libertad Act and several proposed amendments to the Foreign Assistance Act under consideration in the Congress.

Q: What does the USG think about Cuban efforts to lobby our friends and allies against Helms-Burton?

A: Latin American and EU position on Cuba is clear -- while they may disagree with aspects of Helms-Burton, they believe that the time for peaceful democratic transition in Cuba has come.

- The EU established a Common Position last December conditioning any improvement in relations on concrete improvements in human rights and movement toward democracy in Cuba.
- The Latin American heads of state, meeting at the Ibero-American Summit in Chile last November, signed a strong declaration calling for democracy and human rights throughout the hemisphere, including Cuba.

Cuban lobbying, particularly at a time that the Castro regime is cracking down on human rights activists and independent journalists, is a sign of the regime's insecurity and growing isolation. We do not believe that these efforts will alter the international consensus for change on the island.

[If asked] The proposed legislative amendments, if passed and signed into law, will not have a significant impact on our friends and allies. They deal with withholding U.S. contributions to the IAEA for Cuba programs, earmarking funds for projects in support of the Cuban people, and requiring new internal USG reports on Helms-Burton implementation.

Haiti Reforms

Q: Is Aristide's party taking over Haitian politics? Is economic reform doomed?

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 believe President Preval shares this commitment to reform, as demonstrated by his leadership in building Parliamentary support for civil service reductions, modernization of state owned enterprises and a fiscally restrained budget.

The international community in Haiti (including the OAS, UN and U.S. Embassy) has discussed with the Haitian election council a number of steps to enhance the integrity of the run-off elections and encourage the broadest possible participation. We hope such measures will be implemented, regardless of when the run-off elections take place.

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.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

June 12, 1997

STATEMENT BY THE PRESIDENT

NATO Enlargement

After careful consideration, I have decided that the United States will support inviting three countries -- Poland, Hungary, and the Czech Republic -- to begin accession talks to join NATO when we meet in Madrid next month.

We have said all along that we would judge aspiring members by their ability to add strength to the Alliance and their readiness to shoulder the obligations of NATO membership. Poland, Hungary, and the Czech Republic most clearly meet those criteria -- and have currently made the greatest strides in military capacity and political and economic reform.

As I have repeatedly emphasized, the first new members should not and will not be the last. We will continue to work with other interested nations, such as Slovenia and Romania, to help them prepare for membership. Other nations are making good progress -- and none will be excluded from consideration.

We look forward to working with our NATO allies to reach agreement on this important issue.

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NATO Enlargement "Who" Decision

- Madrid NATO Summit will take historic decisions to adapt NATO to challenges of next century while preserving its strength as military Alliance.
- President convinced that admitting new democracies of Central and Eastern Europe to Alliance; while forging long-term partnership with Russia, is best way to promote vital U.S. interest in stable, undivided Europe.
- After careful study and consultations with Congress, including a meeting with some key Senators last night, President has decided to support inviting a small initial group — Poland, Czech Republic and Hungary — and to press hard for a strong NATO position on future enlargement, the "open door."
- Secretary Cohen is conveying our position to Allies today in Brussels at the NATO Defense Ministers' meeting. We are also conveying our position to the countries seeking NATO membership.
- President favors small group because:
 - (1) invitations should be restricted to countries meeting highest standards in terms of their military, political and economic reforms. This will ensure we maintain credibility and effectiveness of Alliance as it expands;
 - (2) smaller group will be easier for NATO to absorb militarily. This is the view of U.S. military leadership; and
 - (3) smaller group will help keep costs down.
- Of the candidate countries, Poland, Czech Republic and Hungary are the most ready, economically, politically and militarily.
- President judged that two other candidates — Romania and Slovenia — are clearly on right track and simply need more time.
- Both countries could be ideal candidates for second enlargement decision if reforms continue. This is one reason we favor strong NATO commitment to "open door" process making clear first will not be last and providing continuing process that enables countries not in first group to continue to prepare for membership.
- "Open door" will dispel concerns by some in Slovenia, Romania and other aspirants, e.g., Baltics, that enlargement will leave them in an insecure "gray zone." All European democracies are eligible for NATO membership; none is excluded.

- Will be working to develop Allied consensus around our position. Will seek to work through some differences (e.g., French support for Romania) before Madrid. Final NATO decision will reflect consensus of all 16 NATO members.

- What was Senate reaction to the President's decision?

Last night's meeting was a consultation in which the President and participating Senators discussed the substance of these issues. While views varied, there was wide-spread understanding and support for enlargement and for the direction of the President's thinking. The President made his decision only after hearing the Senators' views.

- Why not Slovenia/Romania?

Romania has made great strides in recent months -- economically, politically and with its neighbors Hungary and Ukraine -- and we look for Romania to consolidate these impressive gains.

Slovenia lags behind others militarily and until recently has been somewhat inward looking, perhaps as expected in a new country. We anticipate Slovenia will continue to advance its reforms and demonstrate its potential to make a contribution to NATO.

- Have Slovenia and Romania been informed/consulted about this decision?

Yes. We have worked closely with both governments for many months, hearing their views and expressing ours. Both governments have been informed of our decision.

- How long will current NATO differences last over which countries to invite?

NATO is a consensus organization. Initial differences of perspective are natural and we will develop a strong NATO position in the days and weeks ahead.

- What about Kissinger's charges that the NATO-Russia accord has weakened NATO?

NATO remains the strong, uncompromised core of European and Transatlantic security. Russia does not have any veto over NATO actions. It hardly weakens NATO to develop a regular, cooperative relationship with Russia; in fact, such cooperation strengthens U.S. and Transatlantic security and our goal of building a stable and undivided Europe.

- Doesn't NATO enlargement to a small group redivide Europe?

No, because NATO's doors will not close after the first group and because NATO will deepen its partnership with all of Europe's democracies.

- Doesn't NATO enlargement weaken NATO, turning it into the U.N.?

Bringing in willing and committed new members will strengthen NATO. The new members will be as committed to NATO's purposes as the current members, not least because they know the price of losing freedom and security.

- Will the new members carry their share of NATO's burdens?

Yes. The countries the U.S. supports for membership have a track record of supporting the U.S. diplomatically and militarily, and we have confidence that they will do so in the future.

Poland and the Czech Republic sent combat forces (battalions) to Bosnia, serving alongside NATO; Hungary sent an engineering unit and provided the bases that greatly eased the U.S. IFOR/SFOR deployment. Poland and the Czech Republic sent forces to the Gulf (Czechs sent a chemical weapons protection unit; the Poles sent medical units). The Poles sent their Delta Force to Haiti -- one of the few European nations to join us there.

Accession Talks

Q: Any comment on press reports that Germany and the majority of other allies support including Romania in the first group to be invited to begin accession talks (as opposed to the U.S. preference to restrict the first group to Poland, the Czech Republic and Hungary)?

A: We do not believe it would be prudent to comment on press reports on this subject. The question of whom to support is being discussed within the Alliance and the final decision will only come when NATO heads of state and government meet on July 8 in Madrid.

We have not yet made a decision on the number of new entrants we would support. This matter is being discussed within the Administration, in consultation with the Congress, and with our NATO allies.

Since NATO is a consensus organization, the final NATO decision on this issue must and will reflect the consensus of all 16 members.

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.

Kissinger 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.

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.

- We welcome the Ottawa process, but continue to believe Conference on Disarmament provides best way forward for negotiating a ban on landmines that is global, which is necessary if it is to be effective.
- The CD includes most of countries which are historically the world's major landmine producers. It is precisely these countries which need to be part of a ban to ensure the ban will be effective.
- We have always been keenly aware of the magnitude of the challenges we face in the CD. We are very disappointed in the Mexican position. We and others in Geneva are continuing our consultations with the Mexicans and are actively working to resolve our differences.
- The CD offers the most practical alternative for achieving a global ban.
 - Its membership is broad and geographically representative.
 - It has a proven track record: The Comprehensive Test Ban Treaty and the Chemical Weapons Convention were successfully negotiated there and have been signed by the vast majority of nations.
- Some of the key producing states have already made clear they will not participate in the Ottawa process.
 - Russia, for example, should be part of a ban negotiation. The Russians have indicated they will not participate in the Ottawa process, but can support work in the CD on APL.

NYT Editorial

- As the President made clear in his announcement of our policy a year ago, the United States is prepared to give up self-destructing landmines in the context of a global ban. We seek to conclude a global ban as soon as possible.
- A year ago, the Pentagon was also directed to aggressively pursue research and development on alternatives to APL so we can end our reliance on them as soon as possible. DoD studies are underway.

Leahy Legislation

Q: Senator Leahy has announced that he is introducing legislation further curbing U.S. use of anti-personnel landmines. What is the State Department's position on this new legislation?

A: The President has committed the United States to aggressively pursue an international agreement to ban use, stockpiling, production and transfer of APL, with a view to completing the negotiation as soon as possible.

We are pursuing that goal in the Conference on Disarmament (CD) in Geneva, working to establish a negotiating mandate as soon as possible.

The CD offers the most practical alternative for achieving a global ban. Its membership is broad and geographically representative. It has a proven track record. The CD includes most of the countries which are historically the world's landmines producers. It is precisely these countries which need to be part of a ban to ensure the ban will be effective.

The proposed legislation would prohibit funding for new U.S. deployment of anti-personnel landmines (APL) beginning January 1, 2000.

This would be inconsistent with U.S. APL policy, which seeks a global agreement to ban APL and reserves the option for the U.S. to use self-destructing/self-deactivating APL in military hostilities to safeguard American lives and hasten the end of fighting.

The United States views the security situation on the Korean Peninsula as a unique case and in the negotiation of a global APL ban will protect our right to use APL there until alternatives become available or the risk of aggression has been removed.

We note that the legislation does take into consideration a key element of U.S. APL policy in allowing for the possibility of an exception for U.S. deployment of APL on the Korean Peninsula, provided the President submits an annual report to Congress certifying that new deployments are "indispensable to the defense" of South Korea.

However, this recognition of our security requirement in Korea does not outweigh the disadvantages of the proposed legislation, especially in undermining our strategy of seeking negotiated global ban rather than a unilateral measure.

Growing Political Instability

Q: Would the U.S. support a NATO member led by a military regime, if it came to that?

A: U.S. is firmly committed to both secularism and democracy in Turkey. Position we repeatedly make in discussions with all elements of Turkish political establishment.

Not productive to speculate about hypothetical situations. We expect Turkey to continue to be a bulwark of democratic secularism in its turbulent region..

Turkish Incursion into Iraq

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

A: **The Turkish military launched an operation against PKK forces in northern Iraq on May 14. This action is similar to Turkish operations that have taken place in the past. The U.S. supports the right of Turkey to defend itself against the terrorist PKK which uses northern Iraq as a staging ground to mount attacks into Turkey. At the same time, we have repeatedly stressed that operations of this sort must be limited in scope and duration and that adequate safeguards must be taken to protect the lives and property of the civilian population. We have repeated this message with respect to the current operation and have been assured by the Turkish government that this operation will be conducted with these concerns in mind. We also note that Prime Minister Erbakan confirmed publicly on May 16 that the operation would be limited in scope and temporary in duration.**

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

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

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

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

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

We do not have any independent confirmation of these estimates.

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

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

SURVEILLANCE OF SCIENTOLOGISTS IN GERMANY

June 16, 1997

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 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. We are particularly concerned that individuals, including American citizens, have been subject to officially-sanctioned discrimination due only to their association with the Scientology movement, and not in connection with any actions they have taken.

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.

MIDDLE EAST PEACE PROCESS

June 13, 1997

Q: Do you have any update on the peace process?

A: Egyptian Presidential Advisor Osama El-Baz met with both PM Netanyahu and Chairman Arafat Thursday to discuss a resumption of Israeli-Palestinian discussions.

As we have said before, we welcome this Egyptian initiative to intensify Israeli-Palestinian dialogue, as direct meetings between the parties are a key to advancing the peace process.

We are in close contact with Egyptian as well as the Israeli and the Palestinians on the Egyptian initiative.

Q: What exactly will El-Baz propose to the parties? Is he pushing a particular plan?

A: We've made it clear that we don't get into details on these kinds of efforts.

Q: The U.S. role is marginal at this time? When will you become more active?

A: We're staying in close touch with the Egyptians, as well as the Israelis and Palestinians. We support the Egyptian efforts. Keep in mind that it's the parties themselves who need to restore the kind of confidence and trust necessary to move this process forward.

Q: Any reaction to the Netanyahu plan on dividing up the West Bank? Do you view this as a serious proposal?

A: Not going to comment on particular ideas or proposals. The key is for the parties to get back to a credible negotiating process.

ID Cards

Q: Do we accept the Israeli program to take away residents' permits from Arabs in East Jerusalem? At what level have you raised it with the Israeli government? Are you satisfied with the response?

A: We have raised it with the Israeli government at the highest levels and are very troubled by the continuation of the practice.

This is not the kind of practice that will build the trust and confidence that we need to be a chance for the peace process to succeed.

As we have said before, the American consulate in Jerusalem is aware of about 100 cases of American citizens resident in Jerusalem who have been asked by Israeli authority to surrender either their US Passports or their Jerusalem ID Cards.

Our Consulate General has told these dual nationals that they do not have to surrender their passports and that they cannot lose their US citizenship involuntarily.

House Resolution on Jerusalem as Capital of Israel

Q: Any reaction to the House resolution reaffirming the view that Jerusalem is the capital of Israel?

A: Our views on this issue are of course very well known. The President has made it clear on numerous occasions that we are simply not going to be drawn into a public discussion of this sensitive issue, an issue which the parties themselves have agreed to deal with in their permanent status negotiations.

The focus needs to be on getting the Palestinians and Israelis back to the negotiating table to deal with their differences in a credible and constructive way. This sort of resolution doesn't help, it simply distracts.

Q: What is the U.S. response to the India missile situation?

A: We have been in frequent contact with India as well as Pakistan on non proliferation issues.

Both are fully aware of our position on the development and deployment of ballistic missiles.

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.

Q: What is the status of the missiles? Are they deployed?

A: The Indian Prime Minister has said that the missiles have not been deployed. We do not dispute that assertion.

Q: What do you think prompted India's action on the missiles?

A: You'll have to ask the Indian government.

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.

RALSTON
June 9, 1997

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.

FRANCE: ELECTIONS

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.

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.

Current Items

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 (see special section on Denver/Russia, above)

- 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, 5 and 9?

A: Working-level meetings between the U.S., ROK, and DPRK took place June 4, 5 and 9 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.

The encounter between South Korean military ships and a North Korean patrol boat in ROK territorial waters off the coast of South Korea never came up in our discussions in New York. The ROK down played it and there is little interest in it.]

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

- President Kiro Gligorov of the Former Yugoslav Republic of Macedonia in Washington June 17 for working visit with the President.
- **HRH Crown Prince el Hassan bin Talal of Jordan at the White House on Tuesday, June 17 re Middle East developments and U.S./Jordanian economic cooperation.**
- Denver Summit of the Eight June 20-22.
- Australian Prime Minister John Howard to meet with President Clinton at the White House on June 27.
- POTUS will travel to Denmark in July in conjunction with the July 8-9 NATO Summit in Madrid.
- President's visits to Brazil, Argentina and Venezuela rescheduled to October 12-17.
- APEC Summit in Vancouver November 24-25.

Visit of President Aliyev of Azerbaijan

Background: The President wrote Aliyev May 10, inviting him to visit Washington, "perhaps in late July or August." Amb Kauzlarich delivered the letter to Aliyev on Saturday, who promptly had the part regarding the invitation read to the Azeri press.

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

Visit of President Shevardnadze

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

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

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

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

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

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

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

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

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

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

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

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

Croatian Elections/Annexation of Bosnia?

- We are concerned that the recent elections in Croatia were not democratic and fair. Clearly, Croatia still has a way to go before it can be considered a democracy.
- Croatia will continue to have only limited access to international assistance and international institutions until it demonstrates a commitment to democracy and fully cooperation with the efforts toward peace and reconciliation in Eastern Slavonia and Bosnia.
- Many Bosnian Croats who are dual citizens with Croatia voted in the election at consulates as was their legal right. This is not an infringement on Bosnia's sovereignty or a violation of Dayton.

War Criminals/NATO Discussions? (WP)

- Detention of war criminals was not on the agenda for the NATO Defense Ministers' meeting and was not discussed.

War Criminals/General

- 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.

If asked whether we can withdraw in mid-98 without apprehending war criminals

- We are trying to reinvigorate implementation of Dayton across the board so that conditions for self-sustaining peace can be established before end of SFOR's mission.
- Bringing indicted war criminals to justice is one of our chief priorities among the many challenges we face. We are increasing pressure on the parties to comply with their obligation under Dayton to cooperate with the Tribunal.

Cohen-Albright Split? (NYT)

- The President and his foreign policy team recently agreed on a plan to reinvigorate implementation of the peace process -- quite the opposite of any split within the Administration on Bosnia.
- As part of this effort, SFOR will continue to play a key role within its current mission, both in implementing the military aspects of the peace and in support of civilian implementation.
- Civilian and military officials will continue working together on how SFOR can best continue to support civilian implementation efforts within its resources and capabilities.
- As the President said, the best way to build a self sustaining peace is to focus on the current implementation effort in Bosnia rather than speculation about what happens after SFOR's mission ends in June 1998.

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.

IFC Loan to Croatia

- We have made clear to the Croatians that U.S. support for multilateral lending and assistance will be conditioned on Croatian cooperation on Dayton implementation issues.
- The U.S. did not object to the \$13 million International Finance Corporation loan to Croatia (considered on June 9) because of the recent positive actions taken by the Croatian Government in this regard, including opening the Brcko bridge and commitments on inter-ethnic reconciliation, including full implementation of the amnesty law.
- We expect to see follow-through on these and other obligations commitments, such as better cooperation on war criminals, in advance of other IFI votes on Croatia.

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.

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.)

NORTHERN IRELAND

- We are outraged by the callous murder of two policemen in Northern Ireland and extend our deepest sympathy to the families of the the two slain officers.
- The IRA has claimed responsibility for this ^{ultimate act of cowardice, This} brutal act of terrorism. There can be no reason, no excuse, no apology for these heinous crimes. No one should make the mistake of granting these thugs the status of Irish patriots - there is nothing patriotic or heroic about shooting two men in the back.
- The vast majority of the people of Ireland, North and South, have repudiated violence and murder. They know that a just and lasting peace can only come about through painstaking dialogue and negotiation. The true heroes and patriots are the many people of both communities who work tirelessly and peacefully for reconciliation and understanding.
- We will continue to do all we can to support their efforts and the efforts of the political leaders participating in the Belfast peace talks.

Will we break off
contact w/
Sinn Féin?

Bertie Ahearn &
PM Blair
mtg at
EU Amsterdam.

We will consider
contacts with
certain parties
so long as we
believe they can
be helpful to
the peace process.

IRA Shooting

- We are shocked and outraged.
- We understand the British and Irish PMs are meeting on the margins of the Amsterdam EU Summit .

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/ police barracks--no one injured) before coming to the U.S.

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

MITCHELL RESIGNATION AS SAPASS FOR ECONOMIC INITIATIVES IN IRELAND

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

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

CONTINUED IRA VIOLENCE

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

ON WHETHER IRA NEEDS TO DISARM BEFORE JOINING TALKS

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

What is your reaction to the recent GAO report criticizing the government's Gulf War illnesses-related research efforts and specifically suggesting that health problems experienced by Gulf War veterans may have been caused by exposure to chemical or biological weapons?

- The GAO report you refer to is a draft, not yet released, that has been circulated for interagency comment.
- GAO raises important, substantive issues which the Departments of Defense, HHS and VA, as well as the Presidential Advisory Committee will need to address as they continue their comprehensive efforts on behalf of Gulf War veterans.
- I'd like to clarify that, to our knowledge, the draft does not conclude that the health problems of Gulf War veterans have in fact been caused by exposure to chemical or biological weapons, nor does it conclude that any of the possible risk factors identified -- and currently under study -- are in fact the cause of Gulf War illnesses.
- The main thrust of the draft report, as we understand it, is that a shift in research emphasis and better use of collected data is called for.
- Once the report is finalized and released, the Departments and the PAC will be in a position to comment more specifically on its conclusions -- all of which will in any case be carefully factored in to the ongoing research and medical care programs.
- Finally, the President's commitment to Gulf War veterans is clear. If evaluation of the GAO report indicates that a shift in emphasis and/or additional research are needed, these decisions will be taken.

What is your reaction to the study published recently 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.

Deportation of Nicaraguans

Background: U.S. District Judge King heard oral argument on a preliminary injunction that would bar the deportation of Nicaraguan and other immigrants affected by the recent immigration law. The law significantly limited the availability of a remedy known as "suspension of deportation" and could lead to the deportation of thousands of immigrants. However, the judge did not issue a decision; as a result, the temporary restraining order that was in place since May 20 has now expired and the INS theoretically is now free to resume its deportations. The judge said he hoped the INS would use its discretion to halt deportations for the time being.

[NOT FOR PUBLIC USE]: INS is working on guidance to its field officers that would temporarily hold off the deportations of Nicaraguans and other immigrants who do not have a criminal background and were adversely affected by changes in the law governing suspension of deportation.

Points

- Ruling from the judge is anticipated in the near future.
- In meantime, Administration is considering impact of expiration of temporary restraining order on INS operations, including deportations.
- At same time, as President indicated, we remain concerned about aspects of recently enacted immigration law that could have serious humanitarian implications for families here.
- We hope we can begin an Executive-Congressional dialogue that looks at ways to ameliorate these harsh measures without undermining immigration control.

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.

Pleiades

Q: Is the U.S. Government aware that a group of investors called Pleiades has expressed an interest in buying the U.S. Enrichment Corporation?

A: Yes, we are aware that Pleiades has expressed an interest in USEC as have some other organizations. However, since the Government has not yet determined the method by which USEC will be privatized and has not, therefore, received bids from potential purchasers, we have not evaluated any organization interested in purchasing the Corporation.

Q: Is the U.S. Government aware of allegations that the Pleiades group has close ties to the Russian Federation, specifically MINATOM?

A: Yes, we are aware that the Pleiades group has ties to Russia. While we have made no determination as to how these ties would impact the viability of a Pleiades bid for USEC, any prospective buyer of the Corporation will be evaluated to ensure that USEC is not "owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government" per the restrictions of the Energy Policy Act, Section 1502(a)(2).

Q: Would the U.S. Government allow the sale of USEC to be made to any group with close ties to a foreign government?

A: Having close ties to a foreign government would not automatically disqualify a group. As required by the USEC Privatization Act, any prospective purchaser would have to prove they are not "owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government" per the restrictions of the energy Policy Act, Section 1502(a)(2). If Pleiades or any other organization ultimately makes a bid to purchase the Corporation, many USG agencies will be involved in determining whether the bidder is qualified to purchase USEC. The National Security Council, the Departments of Defense, State, Treasury, and Energy, the Nuclear Regulatory Commission, and others will be involved in evaluating potential bidders.

Q: Would the buyer of USEC also own the rights to the AVLIS technology and other potentially sensitive technology? How would the U.S. Government ensure that such information was properly safeguarded?

A: Any organization purchasing USEC would also purchase the rights to the AVLIS technology and they would be involved with other sensitive technologies. As a result, prospective buyers must be able to hold the necessary security clearances. Before any classified information could be transferred to a purchaser of USEC, facility and individual security clearances would be required. Failure to receive such clearances would preclude prospective purchasers from acquiring USEC.

Q: What are the requirements which will be placed on a prospective buyer of USEC with respect to the maintenance of a domestic uranium enrichment capability?

A: The USEC Privatization Act, in Section 3116, added a limitation to the Atomic Energy Act which states the NRC cannot issue a license or certification of compliance to USEC or its successor if it is determined that the "Corporation is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government" or that "the issuance of such a license or certificate of compliance would be inimical to the common defense and security of the United States or the maintenance of a reliable and economical domestic source of enrichment services."

Q: What is the status of privatization? Why has it taken so long?

A: The Administration has nearly finished a comprehensive review of all aspects of the privatization. This includes completing actions such as the stabilization of the important Russian HEU contract.

Once the process has commenced, the sale could be consummated in about six months.

Q: How do you intend to sell USEC?

A: The privatization plan recommended by USEC to the President involves a dual-path process, with each path pursued in parallel.

1) The *Merger-Acquisition (M&A) path* will evaluate offers from qualified companies or groups to buy USEC.

2) The *Initial Public Offering (IPO) path* will evaluate the sale of USEC securities to the public.