

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the William J. Clinton
Presidential Library Staff.**

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Press Secretary

Series/Staff Member: General Files

Subseries:

OA/ID Number: 10858

FolderID:

Folder Title:

Daily Press Guidance - June 27, 1997

Stack:

S

Row:

93

Section:

1

Shelf:

1

Position:

1

6.27.97

Daily Press Guidance

**Friday
June 27, 1997**

(For internal use only.)

updated to
G-drive 7/9/97

Press Guidance
Wednesday, June 18, 1997

Domestic

1. Brady Bill *Brady Bill*
2. NEA - *NEA*
3. TV Ratings *TV*
4. Electronic Commerce - *Internet*
5. Tobacco - *Tobacco*
6. Needle Exchange - *AIDS*

Events

1. Drug Free Communities - *Drug Policy*
2. Tax event on Monday - *Tax Reform*

Economic

1. Real GDP Growth - *Economy*

Foreign

1. Cambodia
2. Iraq
3. Kansi
4. Sayegh/Khobar
5. Laser Incident
6. Caspian Energy
7. Indonesia
7. Mexico
8. Bosnia
9. Ireland
10. Northern Ireland
11. Israel
12. Middle East
13. Nicaragua
14. UN
15. Taiwan
16. Hong Kong - *Foreign*
17. China
18. NATO - *Foreign*
19. Russia/NIS - *Foreign*
20. Landmines
21. Korea
22. Fast Track - *Foreign*
23. Trips and Visitors
24. Gulf War Illness
25. DROC (Ex-Zaire)
26. Republic of the Congo (Brazzaville)
27. Japan
28. Denver

DRAFT

Brady Supreme Court Decision Questions and Answers June 27, 1997

Q. What did the Supreme Court rule today on the Brady Law?

A. The decision left the majority of the Brady Handgun Control Act intact--the Court simply ruled that part of the Brady Act is unconstitutional. The Supreme Court ruled that the Federal government cannot require local police officers to conduct background checks but left intact Brady's 5-day waiting period. Police can, and we expect will, continue to complete background checks on handgun buyers voluntarily because it is a common sense law enforcement practice.

Q. What did the Brady Law require?

A. The Brady Law has been the cornerstone of law enforcement's efforts to stop people who are legally barred from having access to handguns from being able to purchase them. The law provides for a 5-day waiting period on a federal firearms licensee's (FFL) transfer of a handgun to a prospective purchaser, during which time a criminal records check is completed.

Since the Brady Law was adopted, over 250,000 prohibited purchasers including convicted felons, fugitives from justice, the mentally unstable, and stalkers have been kept from purchasing handguns. The President's juvenile crime legislation would add violent juvenile offenders to the list of people who are barred from purchasing a gun.

The Brady Law permits states to use alternative criminal records checks systems, as long as they meet the minimum standard established by the Brady Act.

The Brady Law provides that a National Instant Criminal Background Check System ("insta-check") which will be administered by the FBI will be established by November 1998. Once this is complete, the 5-day waiting period under the current system will be eliminated.

Q. After today's decision, what is still required under the law?

The Brady Act requires all Federally-licensed firearms dealers (FFLs) to fill out a form for each prospective handgun purchaser. The FFL must then forward the form to the chief law enforcement officer in their jurisdiction. The Court left both of these provisions intact. If, after five days, the chief law enforcement officer has not advised the FFL not to transfer the gun to the purchaser, then the FFL may sell the handgun.

Under today's Supreme Court ruling, once the chief law enforcement officer receives the

form from the FFL, the officer may choose to complete the background check on the potential gun purchaser on a voluntary basis. Nothing in the Court's decision prohibits a chief law enforcement officer from completing these checks-- but they are not required by federal law to do so.

Q. Does this mean that police no longer have to do criminal background checks on handgun purchasers?

A. We expect the vast majority of law enforcement officers to continue to conduct background checks. Nothing in the law prohibits law enforcement from voluntarily enforcing the Brady Act checks. More importantly, it is a smart law enforcement practice to confirm that the person trying to buy a handgun down the street isn't a violent felon, a fugitive from the law, stalker, or some other prohibited gun purchaser.

In addition, we understand that most of the nation's law enforcement organizations are pledging their support for law enforcement to continue to do Brady checks voluntarily.

Q. Is the President going to do anything in response to the Supreme Court's decision?

A. While the President was disappointed by the Court's decision, he is firmly committed to the principle that those people who are prohibited by law from owning handguns should not be able to purchase them. The policy should remain: no background check, no handgun.

The President has directed his chief law enforcement officers-- Attorney General Reno and Secretary Rubin-- to immediately contact law enforcement across the country to clarify what the Supreme Court decision says, and to ask for the continued enforcement of the Brady Act through voluntary background checks.

In addition, the President has directed the Attorney General and Secretary Rubin to sit down with law enforcement and to get their recommendations to make sure that there are no safe havens for prohibited gun purchasers.

Q. How many handgun sales have been blocked by the Brady Law?

A. Since the Brady Act went into effect in February 1994, an estimated 250,000-- one quarter of a million-- handgun sales to felons, fugitives, and stalkers were blocked by background checks. An estimated 6,600 attempts are thwarted each month-- and more than 70 percent of these are rejected because the prospective purchaser was indicted or convicted as a felon.

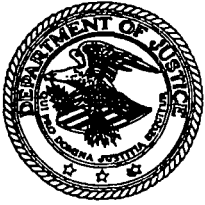
Q. What does the letter from the Attorney General and Secretary Rubin say?

A. The letter-- from the President's own chief law enforcement officers-- will be sent to law enforcement around the nation asking them to join us and continue to enforce the Brady Act. The letter provides clarification to law enforcement about what is still required under the Brady Act and what they may do voluntarily. This should help to avoid confusion and ensure that law enforcement who want to voluntarily complete background checks will continue to do so without any gaps in coverage.

Q. Does the Supreme Court decision affect all 50 states? Weren't there some states that were not subject to the Brady waiting period for background checks?

A. The decision will affect the 23 "Brady" states that were subject to the 5-day waiting period under Brady. However, the law permits states to use alternate criminal records checks systems as long as they meet the minimum standard established by the Brady Act. These 27 states already have background checks under state law and are therefore, not subject to Brady. These states are unaffected by today's decision.

However, the Court's decision does impact about half of the states. That is why we are seeking the continued commitment of all of the chief law enforcement in those states to conduct criminal background checks on handgun purchasers.



Office of the Attorney General
Washington, D. C. 20530

June 27, 1997

Dear Law Enforcement Colleague:

Earlier today, the Supreme Court ruled that part of the Brady Handgun Control Act is unconstitutional. Although we are disappointed in the Court's decision, we must all abide by it.

All of you should understand that the Supreme Court's decision did not "strike down the Brady Act," "declare it unconstitutional" or any one of a number of broad based and inaccurate statements that you may hear. Rather, the Court simply stated that the federal government cannot require that state, county and municipal officials conduct the checks provided for under the law until November 1998, at which time the National Instacheck System (NICS) will become effective.

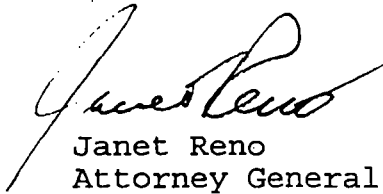
We know that the vast majority of concerned and effective law enforcement officers in this country support and conduct background checks under the Brady Act, not because they are required, but because it is good law enforcement. Therefore, this decision will likely have little impact on law enforcement. Those who wish to purchase a handgun from a licensed federal firearms dealer (FFL) must still complete a background check form under the Brady Act, and the FFL must forward that form to the chief law enforcement officer (CLEO). As before, if, after five days, the CLEO has not advised the FFL not to transfer the handgun, the FFL may sell the handgun to the purchaser.

The sole change occasioned by the Supreme Court decision is that the CLEO is no longer required by federal law to run the Brady background check. We expect and hope that the vast majority of law enforcement agencies in America will continue to run these checks voluntarily because they are saving lives, keeping guns out of the hands of criminals and generally in the best interest of law enforcement. We urge you to continue these checks.

Since the Brady Act went into effect, over 250,000 felons, fugitives and other prohibited persons have been denied handguns. We are making great strides in reducing violent crime in America and our failure to keep up these Brady background checks will seriously undermine all of our efforts in this regard.

We recognize that some CLEOs may still use the Court's decision as an excuse not to conduct Brady background checks. That would be most unfortunate for the people of this country. It is just common sense that we all keep doing whatever we can to keep guns from criminals.

Please do not let America down. Please join responsible law enforcement in continuing to serve and protect the public.



Janet Reno
Attorney General

Sincerely,



Robert E. Rubin
Secretary of the Treasury



P R E S S R E L E A S E

FOR IMMEDIATE RELEASE
June 27, 1996

CONTACT: Mary Malina
(202) 833-1460

WASHINGTON, DC—In the wake of today's Supreme Court decision to strike down the Brady Law's background check provisions, the Police Foundation, a private, independent, nonprofit organization dedicated to supporting innovation and improvement in policing, urges law enforcement agencies to continue to conduct these checks on a voluntary basis.

Police Foundation President Hubert Williams said, "The Brady Law works. Since the law went into effect on February 29, 1994, background checks have stopped nearly 250,000 convicted felons and other prohibited purchasers from buying a handgun. Every day 157 felons were stopped from buying handguns because of Brady background checks."

Prior to the enactment of the Brady Law, in 32 states, anyone including convicted felons, domestic abusers, the mentally ill, or juveniles could walk into a gun store, fill out a form, and walk out with a gun.

"For 6 years, America's law enforcement community worked tirelessly for passage of the Brady Law, and believes that background checks have reduced gun crime in America. It is our hope that law enforcement will continue to employ this important tool in its arsenal against crime and violence," said Williams.

The Law Enforcement Steering Committee

1001 22nd St., N.W., Suite 200
Washington, D.C. 20037

FOR IMMEDIATE RELEASE
June 27, 1997

CONTACT: Mary Malina (202) 833-1460 or
Walt Wallmark (202) 433-9230

WASHINGTON, DC—In the wake of today's Supreme Court's decision to strike down the Brady Law's background check provision, the Law Enforcement Steering Committee (LESC), a coalition of nine national law enforcement organizations, said it will encourage law enforcement to conduct these checks voluntarily since they have proven to be an effective tool in curbing crime.

Hubert Williams, the President of the Police Foundation and Chairman of the LESC, said, "Brady Law background checks are not an onerous burden law enforcement. Law enforcement has long been willing to conduct background checks to keep guns out of the wrong hands."

Law enforcement supports the Brady Law because it is working. Since the law went into effect on February 29, 1994, background checks have stopped nearly 250,000 convicted felons and other prohibited purchasers from buying a handgun. That means every day 157 felons were stopped from buying handguns.

"These and other statistics confirm what America's law enforcement community has always believed," said Hubert Williams, "that the Brady Law will reduce gun crime in America. The law is an important tool in law enforcement's arsenal against crime and violence."

The Brady Law has effectively ended the honor system by which guns were sold over the counter. Prior to the enactment of the Brady Law, in 32 states, any individual already prohibited from possessing a gun, including convicted felons, domestic abusers, the mentally ill or juveniles, could walk into a gun store, fill out a form and walk out with a gun.

LESC stresses that the Brady Law is sound, effective and rational public policy. It addresses one of the most serious conditions we face as a society; a level of violence that affects the safety and well being of our citizens and of the police themselves.

Founded in 1985, the Law Enforcement Steering Committee is a nonpartisan coalition of national law enforcement groups representing over 500,000 police practitioners. Comprised of the Federal Law Enforcement Officers Association, the Fraternal Order of Police, the International Brotherhood of Police Officers, Major Cities Chiefs, the National Association of Police Organizations, the National Organization of Black Law Enforcement Executives, the National Troopers Coalition, the Police Executive Research Forum, and the Police Foundation, LESC embodies an unprecedented cooperative effort among law enforcement research organizations and police management and labor organizations.

-0-

Please note new LESC address effective July 1, 1997:
1201 Connecticut Avenue, N.W., Suite 200
Washington, D.C. 20036

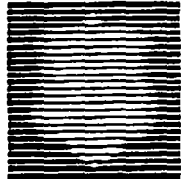
Steering Committee
Members

Federal Law Enforcement
Officers Association
Fraternal Order of Police

International
Brotherhood of
Police Officers
Major Cities Chiefs

National Association of
Police Organizations
National Organization of
Black Law Enforcement

National Troopers Coalition
Police Executive Research
Forum



Representing
Policing in
America



IACP NEWS



International Association of Chiefs of Police / 515 N. Washington Street / Alexandria, Virginia 22314-2357 / 703 836-8767

FOR IMMEDIATE RELEASE
FRIDAY, JUNE 26, 1997

CONTACT: SARA JOHNSON
703/836-6767

SUPREME COURT RULING ON THE BRADY LAW

ALEXANDRIA, VIRGINIA -- IACP President Darrell L. Sanders, Chief of Police in Frankfort, Illinois, issued the following statement today in the wake of the U.S. Supreme Court ruling on the Brady Law:

"Members of the International Association of Chiefs of Police have known for decades that requiring handgun purchasers to undergo background checks and waiting periods is good policing and good crime prevention.

It is this view that prompted our support for the Brady Act and we certainly have been pleased with the results that have been achieved since its enactment.

Today's Supreme Court decision strikes down the law's mandatory requirement but allows for law enforcement to continue to conduct Brady checks.

I know that police chiefs around the country will continue to conduct these checks in large numbers, wherever and whenever they can.

We look forward to working with the President and members of his Administration along with leaders in the House and Senate to find ways to encourage greater use of the important and valuable provisions of this law in the weeks and months ahead."

The International Association of Chiefs of Police is the world's oldest and largest non-profit organization of police executives. Established in 1893, the IACP has more than 16,000 members in 92 countries.

* * *



NATIONAL ASSOCIATION OF POLICE ORGANIZATIONS, INC.

Representing America's Finest

750 First Street, N.E., Suite 920 • Washington, D.C. 20002-4241

(202) 842-4420 • (800) 322-NAPO • (202) 842-4398 FAX

President

THOMAS J. SCOTTO
President, Detectives'
Endowment Association
of New York City
New York, NY

FOR IMMEDIATE RELEASE

June 27, 1997

CONTACT: JODY HEDEMAN

(202) 842-3560

Executive Director
ROBERT T. SCULLY
Legislative Consultants
JULES BERNSTEIN
LINDA LIPSETT

NAPO REACTS TO SUPREME COURT DECISION CALLS FOR VOLUNTARY BACKGROUND CHECKS

Executive Vice President

ERNEST W. GEORGE
President, Palm Beach County
Police Benevolent Association
Palm Beach, FL

Recording Secretary

O. J. HOLT

President, Central

Chapter, PORAC
San Jose, CA

Treasurer

WILLIAM BIRDSEYE
Police Officers
Association of Michigan

Sergeant-at-Arms

MARTIN MCKEAN

Executive Secretary,

Ohio PBA
Berea, OH

Executive Secretary

B. D. "BUD" STONE
Past President PORAC
Berkeley, CA

WASHINGTON, DC-The National Association of Police Organizations (NAPO) voiced its concern over today's Supreme Court decision to strike down the Brady Law's background check provision, and said that it will encourage law enforcement to continue to conduct these checks on a voluntary basis.

"NAPO fought hard for background checks on handgun purchasers," said Robert T. Scully, Executive Director. "It does not create an extra burden on our law enforcement officers — it helps to save their lives, and the lives of the citizens they are sworn to protect."

"According to the Justice Department, to date, background checks authorized under the Brady Law have stopped more than 250,000 prohibited purchasers from buying handguns, including 157 felons everyday," continued Scully.

"The police of this country fight the daily battle against crime and put our lives on the line all in a day's work. NAPO calls for the continued use of background checks by all police departments affected by this ruling on a voluntary basis to help our officers in their fight against crime," said Scully.

Today's Supreme Court decision directly affects 23 states (Brady States) who have been operating background checks under the Brady Law, but does not affect 28 other states (Brady Alternates) which conduct their background checks under state laws.

The ruling appears not to have affected the "waiting period" in the 23 "Brady States" which was designed to give law enforcement officers the time they need to conduct background checks, and also serves as a "cooling off period" for handgun purchasers. The National Instant Criminal Background Check System (NICS) is scheduled to be fully operational by November 30, 1998, however, many states have not yet made their computerized criminal history records available through the Interstate Identification Index (III).

"NAPO also calls for the swift cooperation of all states to make their computerized criminal history records available through the Interstate Identification Index," said Scully.

The National Association of Police Organizations (NAPO) is a coalition of police unions and associations from across the United States that serves to advance the interests of America's law enforcement officers through legislative and legal advocacy, political action and education. Founded in 1978, NAPO now represents 4,000 police organizations and nearly 200,000 sworn law enforcement officers.

###



INTERNATIONAL BROTHERHOOD OF POLICE OFFICERS

A DIVISION OF THE NATIONAL ASSOCIATION OF GOVERNMENT EMPLOYEES, AFL/CIO

317 South Patrick Street, Alexandria, VA 22314
Telephone 703/519-0300 Fax 703/519-0311 E-mail nage @ crols.com



FOR IMMEDIATE RELEASE
June 27, 1997

Contact: Chris Donnellan
(703) 519-0300

STATEMENT OF

KENNETH T. LYONS
NATIONAL PRESIDENT
INTERNATIONAL BROTHERHOOD OF POLICE OFFICERS

Today, the Supreme Court ruled one provision of the Brady Law unconstitutional. That provision is a requirement that state and local law enforcement officials make a reasonable effort to conduct a background check on handgun purchasers.

The IBPO along with other law enforcement organizations worked long and hard for passage of the Brady Bill. Police organizations know first hand that background checks work. Since the Brady Law went into effect, background checks have stopped more than 250,000 prohibited purchasers from buying handguns, including 157 felons a day,

This decision by the Supreme Court will not end background checks in every state. Today's decision will effect 23 states. The other 27 states have their own laws requiring a background check.

As President of the International Brotherhood of Police Officers, I urge local and state law enforcement agencies to voluntarily continue background checks. The reason for this request is simple. The Brady Law works! Handgun crimes have declined dramatically after passage of this law. Police officers know first hand the success of the Brady Bill.

The IBPO is an affiliate of the Service Employees International Union. It is the largest police union in the AFL-CIO representing over 40,000 police officers nationwide.



FRATERNAL ORDER OF POLICE

NATIONAL LEGISLATIVE PROGRAM

309 MASSACHUSETTS AVENUE, N.E. • WASHINGTON, DC 20002
PHONE: (202) 547-8189 FAX: (202) 547-8190



GILBERT G. GALLEGOS
NATIONAL PRESIDENT

JAMES O. PASCO, JR.
EXECUTIVE DIRECTOR

BERNARD H. TEODORSKI
NATIONAL VICE PRESIDENT
CHAIRMAN, NATIONAL LEGISLATIVE COMMITTEE

FOR IMMEDIATE RELEASE
27 JUNE 1997

CONTACT: JIM PASCO
(202) 547-8189

NATIONAL FRATERNAL ORDER OF POLICE DOWNPLAYS BRADY DECISION

Today's Supreme Court decision overturning the Brady Law on the basis that it violates the Tenth Amendment will have very limited impact on public safety and law enforcement efforts to prevent criminals from illegally obtaining firearms.

"The battle to ensure that criminals do not obtain weapons from Federally licensed firearms dealers will go on," said Gilbert G. Gallegos, National President of the Fraternal Order of Police. "We urge the public not to be taken in by the special interests who would portray this decision as either a great victory or a great defeat for reasonable regulation of firearms. It is neither--it's just a little bump in the road to sane firearms policy."

The Fraternal Order of Police played a pivotal role in the debate and eventual adoption of the Brady Law and we remain committed to the merits of that legislation. Its passage caused many States, particularly larger, more populous States with high violent crime rates to recognize the value of what the Brady Law set out to do--keep guns out of the hands of criminals. To this end, many States have already moved to the next level of Brady--"instant check" systems--a more efficient and less costly way to accomplish the aims of the Brady Law.

Law enforcement officers are not compelled to make "Brady checks"--but they can. Several States have already committed to continue doing Brady checks, today's decision notwithstanding. The waiting period to purchase firearms is still in place, as are the rules regarding the completion of the "Brady forms." This decision, therefore, affects a very narrow population--those from smaller, less populous States with significantly less violent crime.

The Fraternal Order of Police remains committed to the intent of the Brady Law and our attorneys will be studying the decision announced today. Further action will be considered by the F.O.P. National Board at the 53rd Biennial Conference in Orlando, Florida, August 3rd-6th.

"While other organizations may try to maximize the effect of this decision for political ends through strident rhetoric, the Fraternal Order of Police maintains that it will have a very minimal real effect on public safety. We remain committed to working toward a safer America for our officers and our families, and toward reasonable measures which will help us achieve that goal," said Gallegos.

The Fraternal Order of Police is the largest organization of law enforcement professionals in the United States, with over 278,000 members.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

NEA

June 25, 1997

THE DIRECTOR

The Honorable David R. Obey
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Obey:

The purpose of this letter is to provide the Administration's views on the Department of the Interior and Related Agencies Appropriations Bill, FY 1998, as reported by the Subcommittee. As the Committee develops its version of the bill, your consideration of the Administration's views would be appreciated.

The Subcommittee has developed a bill that provides requested funding for many of the Administration's priorities. However, as discussed below, the Administration will seek restoration of certain of the Subcommittee's reductions. We recognize that it will not be possible in all cases to attain the Administration's full request and will work with the Committee toward achieving acceptable funding levels. The Administration is committed to working with the Committee to identify reductions in the bill in order to find offsets for the restoration of funds that the Administration seeks. For example, unrequested funds have been provided to reimburse the Forest Service's Knutson-Vandenberg Trust Fund, and the Subcommittee has not rescinded Clean Coal Technology funds at the level proposed in the FY 1998 Budget. We urge the Committee to reduce funding for programs that would be adequately funded at the requested level or for lower priority programs, and redirect funding to programs of higher priority.

National Foundation on the Arts and the Humanities

The Administration strongly objects to the Subcommittee's drastic reduction in funding for the National Endowment for the Arts (NEA). The President's senior advisers would recommend that he veto the bill if this funding level were to remain. The proposed \$10 million appropriation, \$126 million below the President's request, would make it impossible for the NEA to continue to provide important cultural, educational, and artistic programs for communities across America. The Administration urges the Committee to approve funding for the NEA at the level proposed in the President's budget and to remain committed to the continuation of the agency.

In addition, we are concerned about the funding level proposed for the National Endowment for the Humanities (NEH), which is \$26 million below the President's request.

Department of the Interior

Land Acquisition. The Administration strongly objects to the Subcommittee's failure to provide \$700 million in FY 1998 budget authority from the Land and Water Conservation Fund to finalize priority Federal land acquisitions and exchanges as agreed to in the Bipartisan Budget Agreement (BBA) and provided for in the budget resolution. Congress must include the \$700 million request as the bill moves through the process in order to comply with the BBA.

The budget agreement specifies that up to \$315 million would be available from the Land and Water Conservation Fund to finalize priority Federal land exchanges. The Administration's top two priorities are protecting Yellowstone National Park by acquiring private lands associated with the New World Mine project and acquiring old-growth redwoods and adjacent lands in Headwaters Forest. Completing these two priority purchases was the main impetus for including additional land acquisition funds in the final agreement.

National Park Service (NPS): Everglades and Elwha River Restorations. The Administration appreciates the Subcommittee's efforts to provide the requested funding for Everglades (FL) land acquisition, but objects to the level provided for base NPS land acquisition (\$48 million below the level contained in the BBA). We specifically object to the elimination of both non-Federal acquisition funds for South Florida and advance appropriations, including up-front construction funding for restoration of the Elwha River (WA) Ecosystem and Fisheries. Acquisition of Elwha and Glines Canyon dams at Olympic National Park is an essential first step in the restoration of the ecosystem authorized by the Elwha River Ecosystem and Fisheries Restoration Act of 1992. Up-front funding for restoration activities is necessary to meet the 1992 Act's requirement that the Secretary of the Interior determine that funds are available for restoration before proceeding with acquisition of the dams. The Administration urges the Committee to reallocate funding for this priority restoration project within the amount requested by the Administration for base Federal land acquisition, and allow land acquisition funds provided for South Florida to include non-Federal acquisition of important water storage areas.

Native American Program Funding. The Administration commends the Subcommittee for funding essential, reservation-level Bureau of Indian Affairs (BIA) Tribal Priority Allocation programs at the President's requested level, the level included in the Bipartisan Budget Agreement. However, the Administration is concerned about reductions below the request to other programs critical to Indian country, such as school operations, construction of a criminal justice facility, water rights negotiations, and environmental cleanups, could result in serious and costly liability problems. In addition, the Administration is concerned that reductions to the Office of the Special Trustee for American Indians could delay implementation of needed trust fund management reform. The Administration urges the Committee to increase funding to the extent possible for these important trust responsibilities.

Native American Program Riders. The Administration understands that there may be an attempt to add a language provision to the bill in Committee that would prohibit the Secretary of the Interior from taking land into trust for any tribe that had not entered into a binding agreement with State and local governments regarding the tribe's collection and payment of State and local sales and excise taxes on retail purchases made on the land by non-tribal members. Similar to a provision rejected by Congress last year, this would undermine tribal sovereignty and the ongoing

government-to-government cooperation currently underway between a number of tribes and States that have voluntarily negotiated, or are currently negotiating, joint taxation agreements to accommodate the needs and rights of each party. The similar provision last year was among the problems that led the Secretary of the Interior to recommend a veto of the House-passed FY 1997 appropriations bill. The Administration strongly opposes this provision and urges the Committee not to include it in the bill.

The Administration also opposes section 316 of the Subcommittee bill, which would prohibit the development and implementation of any interim or final rule regarding jurisdictional issues pursuant to Title VIII of the Alaska National Interest Land Conservation Act (ANILCA). This moratorium would, in effect, for a third consecutive year override ANILCA without any congressional hearings, suspending public review and comments on the rule. It would prevent the Departments of the Interior and Agriculture from managing subsistence fishing programs on behalf of Alaska Natives, as required by a 1995 decision by the 9th Circuit Court of Appeals (the Katie John case). Ultimately, the Administration supports the transfer of the subsistence program back to the State of Alaska.

Department of Health and Human Services

Indian Health Service. The Administration appreciates the Subcommittee's efforts to fund much of the President's requested \$2,122 million for the Indian Health Service (IHS). To the extent possible, we urge the Committee to include an additional \$36 million to restore IHS funding to the requested level. This would provide \$12 million for Contract Support Costs and funding for special health initiatives such as child abuse prevention and women's health.

The Administration appreciates the Subcommittee's action to provide funding for beginning the construction of the health facility at Polacca, Arizona, for the Hopi Tribe. However, the Administration is very concerned about the lack of funding for the Fort Defiance hospital for the Navajo Tribe. Funding for the replacement health care facility at Fort Defiance would provide a comprehensive health program, including limited inpatient services for gynecological and general ambulatory surgery, intensive care, and adolescent psychiatry. The new hospital would replace the existing main hospital building, which was constructed in 1938 and is functionally inadequate to meet the needs of the current Navajo population. The Administration recommends, and urges the Committee to support, a full-funding commitment for both facilities.

Department of Energy

Energy Conservation. The Administration objects to the Subcommittee's reductions to the request for energy conservation and to the Subcommittee's consolidation of utility-scale gas turbine development activities into the Energy Conservation program. This transfer hides the true size of the Committee's reductions to the President's Energy Conservation budget. The nominal reduction in this account is \$71 million, but because the account includes \$31 million for gas turbine development previously funded in the Fossil Energy Research and Development account, the true reduction to requested energy conservation activities is \$102 million. The reductions to Building Technologies would hurt the Nation's international climate change commitments, and the cuts in Transportation would damage the efforts of the Partnership for a New Generation of

Vehicles (PNGV) to move to the next phase of technology development and systems integration. Within the transportation area, the Subcommittee has also included an increase of \$10 million over the request for heavy vehicle technologies. This add-on would disperse the program's scarce resources away from the highest-priority activities and contradicts the Committee's stated interest in making the programs more focused. These funds should be redirected toward the requested PNGV activities.

Strategic Petroleum Reserve. The Administration objects to the Subcommittee's proposed non-emergency sale of oil from the Strategic Petroleum Reserve in order to fund routine operations and maintenance at the Reserve. The President's budget requests \$209 million in new budget authority to fund these activities. The Strategic Petroleum Reserve is the cornerstone of the Nation's energy security and should not be used to raise revenues. The Administration is conducting a study of policy issues related to the Reserve, which should be completed this fall. The study will include analysis of the appropriate use of the Reserve in emergency and non-emergency situations.

Clean Coal Technology. The Administration recommends that the Subcommittee rescind \$153 million, as requested in the FY 1998 Budget. The Administration objects to the Subcommittee's decision not to advance appropriate \$50 million in FY 1999 funds for a demonstration project in China. This project would demonstrate a coal-based technology that can greatly reduce CO₂ and other pollutants, thereby limiting the environmental impacts of industrialization in developing countries with large coal reserves. The Administration requests that \$153 million in available balances be rescinded, and that \$50 million be advance appropriated for FY 1999 to fund the China project.

Fossil Energy Research and Development. The Administration objects to the Subcommittee's proposal to fund the Fossil Energy Research and Development fuel cell program at \$9 million less than the \$37 million requested to continue strong national programs to promote high efficiency molten carbonate and solid oxide fuel cell systems. The funds can be restored by reducing the Subcommittee's proposed increases to the coal and advanced turbine systems programs.

Department of Agriculture and Forest Service Micromanagement

The Administration objects to the micromanagement of Executive Branch authorities that the Subcommittee bill would impose upon the Forest Service and the Office of the Secretary. The Administration believes that this inordinate level of micromanagement is inappropriate and would impede the ability of the Department to operate effectively. For example, the Subcommittee bill includes highly objectionable language that would terminate the Secretary of Agriculture's authority to have a Western Director and a special assistant in the West, who facilitate the resolution of complex issues and provide important feedback to the Secretary about concerns of Western States and citizens. The Subcommittee bill would further micromanage the Forest Service with specific provisions prohibiting any reorganization, office closure, or other cost saving proposals without prior approval of the Committees. In addition, the Subcommittee Report would require the Forest Service to complete — most by January 1998 — over 15 different reports to the Congress.

Woodrow Wilson Center

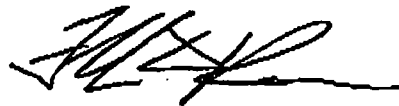
The Administration strongly recommends restoring the \$5.8 million requested in the President's budget for the Woodrow Wilson Center. The Center was established by Public Law 90-637 as the Nation's memorial to the twenty-eighth President. The law created a Board of Trustees to maintain and administer the Center, including the provision of facilities, staffing, and appointment of scholars, and where appropriate, to provide stipends, grants, and fellowships to such scholars, from the United States and abroad. The Administration and the Congress have supported the Center since 1968.

Smithsonian Institution

The Administration strongly recommends that the Committee provide the full \$58 million requested for construction of the Mall Museum of the National Museum of the American Indian. The National Museum of the American Indian was created by Public Law 101-185, which requires that two-thirds of the construction funds for the Mall Museum shall come from Federal appropriations and one-third from a national fund-raising campaign. As of January 1997, the national campaign had received cash and pledges for the \$36.7 million required to meet the non-appropriated portion. The FY 1998 Budget requests \$58 million for the Federal share for the construction of the Mall Museum.

We look forward to working with the Committee to address our mutual concerns.

Sincerely,



Franklin D. Raines
Director

Identical Letter Sent to The Honorable Bob Livingston,
The Honorable David R. Obey, The Honorable Ralph Regula,
and The Honorable Sidney R. Yates

Press Guidance
June 27, 1997

TV RATINGS UPDATE

Background: The groups plan to meet again tonight at 5:30pm. They are close to a deal but appear unlikely to reach one tonight. Since the House is already in recess and the Senate goes into recess tomorrow until July 7 -- It could be awhile before an agreement is reached.

- **The Vice President is actively engaged in trying to persuade industry and family groups** to reach a consensus that is good for parents and doesn't require government involvement. Last week he met with nearly a dozen family groups and just this past Wednesday, from Nashville, he spoke with Jack Valenti representing industry.

Silverman
per Kohlenberger/OVP

Press Guidance
June 27, 1997

ELECTRONIC COMMERCE EVENT

Background: Electronic Commerce -- the sale and delivery of software, entertainment products, information, professional consulting, health, education and financial services via the Internet-- has the potential to become our largest category of trade within a decade, creating millions of high paying jobs. This report "A Framework for Global Electronic Commerce" lays a road map for the evolution of electronic commerce.

CDA and Electronic Commerce Event

We fully understand that one of the major challenges on the Internet is Internet decency and this is something we need to address. That is why the President will issue a challenge to industry leaders in attendance to develop new technologies to create something as powerful for the Internet as the V-Chip is for TV. The President and Vice President will convene a meeting at the end of the month between industry leaders and family groups to discuss this issue in further detail.

Silverman
per Kohlenberger/OVP x66223

CLINTON ADMINISTRATION OUTLINES TOBACCO SETTLEMENT REVIEW PROCESS

Today, during the signing of the Safe and Drug-Free Communities Act, President Clinton reiterated his commitment to a rigorous public health review of the proposed settlement. The President also announced that Secretary of Health and Human Services Donna E. Shalala and Domestic Policy Advisor Bruce Reed will lead the comprehensive analysis.

Public Health Review

As President Clinton said today, the Administration's preliminary analysis will be conducted by four interdepartmental review panels. Each panel will include representatives from the Domestic Policy Council (DPC) and the Department of Health and Human Services (HHS). Where appropriate, each of them will also include representatives of other federal agencies, such as the Departments of Treasury, Justice, Labor, Agriculture, Veterans' Affairs, Interior, and Defense, the General Services Administration, and the Environmental Protection Agency. The four panels will focus on four key areas:

Regulatory Issues. The regulatory panel will primarily review the elements in the proposed settlement affecting FDA jurisdiction. The panel will also examine issues surrounding environmental tobacco smoke.

Program and Budget Issues. The program and budget panel will look at proposed uses of settlement funds, including the anti-smoking advertising campaign, grassroots programs, smoking cessation, and any issues that involve research on nicotine, tobacco and health, and smoking cessation.

Legal Issues. The legal panel will examine issues around liability, enforcement, compliance, and the disposition of tobacco industry documents.

Industry Issues. The industry issues panel will examine the settlement's proposed targets, penalties and incentives; evaluate potential international impacts of the settlement; and conduct an economic analysis.

President Clinton's Plan to Reduce Youth Tobacco Use

On August 23, 1996, President Clinton announced the nation's first-ever comprehensive program to protect children from the dangers of tobacco and a lifetime of nicotine addiction. The President's program was launched with the publication of the Food and Drug Administration's (FDA) final rule on tobacco and children, and with FDA's initiation of a process to require tobacco companies to educate children and adolescents -- using a national multi-media campaign -- about the dangers of cigarettes and smokeless tobacco. The first provisions of the rule -- making 18 the age for the purchase of tobacco products nationwide and requiring photo IDs for anyone under age 27 -- became effective February 28, 1997. The President's comprehensive and coordinated plan is intended to reduce tobacco use by children and adolescents by 50 percent in seven years. This ambitious initiative will work to accomplish this objective while preserving the availability of tobacco products for adults. The proposed tobacco settlement will be evaluated within this framework to evaluate whether it meets the President's objectives.

Working Toward Our Fundamental Goal

As the President has said, protecting the public health -- and particularly our children's health -- is and has always been our primary concern. We know that nearly 3,000 young people become regular smokers each day, and nearly 1,000 of these children and adolescents will die early from their use of tobacco products. We must do everything in our power to dramatically reduce smoking by young people because they deserve a life free from the disease that comes with using tobacco.

Tobacco -
settlement

Question and Answer on Tobacco Settlement Proposal Review Process
June 27, 1997

Q: Can you explain in more detail how the Administration's review is proceeding?

A: Bruce Reed, the President's Domestic Policy Advisor, and HHS Secretary Shalala, are leading the review. They have established four groups made up of fairly senior White House staff and staff from a number of federal departments including HHS, Justice, Labor, EPA, and Treasury. There is a regulatory group, a program and budget group, a legal group, and an industry performance and accountability group. These groups will subject the proposed agreement to the strictest scrutiny, focusing particularly on its affect on the public health and stopping children from smoking, as the President requested.

Mr. Reed and Secretary Shalala will also be seeking the advice of leaders in the public health community, including the major public health organizations, Drs Koop and Kessler, and the community-level tobacco control advocates.

(more detailed descriptions of groups below)

Q: Will you be consulting with Congress?

A: We will also be consulting extensively with Congressional leaders, including the Chairs and Ranking Members of the relevant Committees, and many other members of Congress who care a great deal about tobacco-related matters. The President is obviously aware of the important role Congress will play. To advance the public health, Congress would need to conduct a thorough debate of the issues and translate the agreement into detailed legislation.

Q: Can you say any more about the President's reaction to the settlement now that he has had a week to study it?

A: First, he is looking at this in the context of the significant accomplishments his administration has already achieved in the fight to reduce death and illness caused by tobacco. He views the proposed settlement as an opportunity to advance the public health even further. He believes we should make the most of this historic chance to do everything we can to protect our children and our country from the dangers of tobacco. He expects it will take us some time to make a serious, informed judgment on the terms of this settlement, but he is delighted that the actions of his administration and the steadfast efforts of the attorneys general have permanently changed the tobacco landscape.

Q: Can you tell us whether the President has any comment on the sharp criticisms of the proposal made by Drs. Koop and Kessler and the members of their advisory committee?

A: The President has said from the very beginning that he intends to consider very closely the views of the public health community, including Drs. Koop and Kessler, before rendering any judgment on the proposed settlement. The President shares some of their questions. As the President noted last weekend, in light of the important role FDA jurisdiction played in advancing this issue, he was concerned by some of the changes in FDA jurisdiction that were contained in the proposed settlement. Drs. Koop and Kessler have voiced their concerns about this and other issues, and we will certainly be looking closely at their committee's report.

Q. President Clinton has said the review will be done in 30 days. Are you going to meet that deadline?

A. We are certainly trying to work within that time frame, but we will be sure to conduct a careful and thorough analysis.

Q. Who will lead the HHS team?

A. Secretary Shalala and Deputy Secretary Kevin Thurm.

Q. Who will lead the DPC team?

A. Bruce Reed, and Deputy Assistants to the President Elena Kagan and Chris Jennings.

Q. Have any of the panels met?

A. All of them have met at least once.

Q. Why will this take so long?

A. This is a critical public health issue and the agreement is complex, so we are going to do an expeditious but careful and thorough review. As the President has said, protecting the public health -- and particularly our children's health -- is our primary concern. We know that nearly 3,000 young people become regular smokers each day, and nearly 1,000 of these children and adolescents will die early from their use of tobacco products. We must ensure the agreement is in the best interest of public health and children's health.

Q. How many agencies are involved in the review?

A. 12 agencies (HHS, DOJ, Treasury, EPA, Interior, VA, DOD, USDA, DOL, GSA, State, and USTR), and 8 White House offices (DPC, NEC, CEA, OVP, Leg Affairs, Counsel, OMB, and OSTP)

Q. How many people are involved?

A. TBD

Q. Can you explain what each of the four groups will cover and which agencies will participate?

A. The Regulatory Issues group, convened by Elena Kagan, will look at FDA regulation of product content, access, advertising, and labeling, and proposed restrictions on environmental tobacco smoke in public buildings and workplace settings. Participating White House offices are DPC, OMB, OVP, NEC, and OSTP. Participating agencies are HHS, DOJ, DOL, GSA, EPA, and Treasury.

The Program and Budget Issues group, convened by Chris Jennings, will examine proposed uses of settlement funds, including spending on programs to reduce smoking and expand children's health care coverage, smoking cessation programs, and investments in health research, including nicotine research. Participating White House offices are DPC, OMB, NEC, OVP, and OSTP. Participating agencies are HHS, Treasury, DOL, USDA, Interior, VA, and DOD.

The legal Issues group, convened by Elena Kagan, will examine, among other things, issues around liability, enforcement, compliance, and the disposition of industry documents. Participating White House offices are DPC, OVP, NEC, and Counsel. Participating agencies are DOJ, HHS, Treasury, EPA, and Interior.

The Industry group, convened by Bruce Reed, will analyze the economic effects of a settlement, examine the proposed smoking reduction targets, penalties, and incentives, and evaluate the potential international impacts of the settlement. White House offices are DPC, NEC, CEA, OVP, OMB, and OSTP; participating agencies are: HHS, Treasury, DOL, USDA, USTR, State, and DOD.

6/27/97

NEEDLE EXCHANGE

Q: Do you believe local communities ought to be able to spend Federal money for needle exchange programs to help prevent spread of AIDS?

A: Under current law, the Administration cannot authorize the use of Federal funds for needle exchange programs unless there is conclusive evidence that these programs reduce the spread of AIDS and do not encourage drug use. Although there is strong evidence indicating that needle exchange programs help reduce the spread of AIDS, we have not concluded our review on whether these programs increase the use of drugs. However, local communities remain free to use non-Federal funds to support such programs if they choose to do so.

as of 6/24/97

SIGNING OF THE DRUG-FREE COMMUNITIES ACT OF 1997

Today, the President will be joined by General McCaffrey, Secretary Shalala, Members of Congress, and leaders of community anti-drug organizations to sign the Drug-Free Communities Act of 1997. At this Roosevelt Room event, the President will also reiterate his commitment to a thorough public health review of the tobacco settlement. Secretary Shalala and Domestic Policy Advisor Bruce Reed will be opening the press briefing later in the day.

DRUG-FREE COMMUNITIES ACT OF 1997

The Drug-Free Communities Act represents a targeted effort by Congress to rechannel existing federal drug-control money into community-based programs focused on preventing and treating teenage substance abuse. The measure, authored by Congressman Rob Portman (R-OH) and originally co-sponsored by Congressman Sandy Levin (D-MI), Congressman Hastert (R-IL), and Congressman Rangel (R-NY), engendered broad bipartisan support as evidenced by a 420-1 vote in the House and Senate passage by voice vote. The measure represents a significant collaboration between Congressman Portman and the Office of National Drug Control Policy which has resulted in a strong Congressional endorsement of community-based drug prevention programs.

The measure will authorize the Office of National Drug Control Policy (ONDCP) to spend up to \$143.5 million over five years (\$10 million in FY'98 with increasing amounts in each fiscal year culminating in \$43.5 million for FY 2002) to support long-term, community-based substance abuse programs that meet the following criteria:

- 1) programs must show a comprehensive approach and community-wide leadership and commitment for reducing and preventing drug abuse;
- 2) programs must develop a self-evaluation process and raise funds to match the federal grant dollar for dollar (grants are capped at \$100,000);
- 3) programs must maintain substantial volunteer involvement from youth, parents, schools, religious leaders, police officials and others; and
- 4) programs must develop and demonstrate financial support that will continue after the federal grant is expended.

The bill would establish an 11-member commission to advise the Director of ONDCP on the design and implementation of the grant program established by the bill. The members of the commission will be appointed by the President and must have a demonstrated interest and expertise in substance abuse reduction programs.

President Clinton: Building Stronger Communities by Combatting Drug Use

Historic and High Profile Anti-Drug Strategy

The largest anti-drug budgets ever. Year-in and year-out, President Clinton has proposed the largest anti-drug budgets ever, including this year's proposed \$16 billion. [ONDCP, The National Drug Control Strategy, 1997: Budget Summary, 1997]

Elevated the Drug Czar to a Cabinet Position. President Clinton is the first President to make the Director of National Drug Control Policy a Cabinet position. [U.P.I. 7/1/1993] He appointed four-star general, Barry McCaffrey, to lead our nation's fight against drugs.

Developed a comprehensive National Drug Control Strategy that will reduce illegal drug use through law enforcement, prevention, treatment, interdiction and international efforts. [Office of National Drug Control Strategy (ONDCP), National Drug Control Strategy, 1997]

Protecting Our Children from Drugs and Violence

Targeting young people with anti-drug messages. The President's proposed FY 98 budget funds a \$175 million national advertising campaign that would rely on high-impact, anti-drug television ads to educate young people on the dangers of illegal drug use. [ONDCP, The National Drug Control Strategy, 1997: Budget Summary, 1997]

Strengthened and expanded the Safe and Drug-Free Schools and Communities Act. The President's proposed FY 98 budget contains a \$60 million increase for Safe and Drug-Free Schools Program, which reaches 97% of the nation's school districts. Schools use these funds to keep violence, drugs and alcohol away from students and out of schools. [ONDCP, The National Drug Control Strategy, 1997: Budget Summary, 1997]

Proposed funding for 1,000 after-school initiatives in communities across the country. The President's Anti-Gang and Youth Violence Strategy will help keep schools open late, on weekends and in the summer so young people will stay off the streets and out of trouble.

Getting Tough on Drug-Related Crime

Putting 100,000 new community police on our streets. The President's plan represents the federal government's biggest commitment ever to local law enforcement.

Mandatory drug testing of state prisoners and parolees as a condition of parole. President Clinton fought for and signed legislation requiring states to drug test parolees so that they can send them back to prison if they get back on drugs. [Omnibus Consolidated Appropriation Act, 1997, P.L. 104-208, Signed 9/30/96]

Targeting gangs with new prosecutors and tougher penalties as part of the President's Anti-Gang and Youth Violence Strategy. The President's strategy increases penalties for selling drugs to kids and using kids to sell drugs.

Expanding drug courts. The Clinton Administration has established drug courts across the country because they have proven effective in breaking the cycles of drugs and crime. The President's FY 98 budget increases funding for this program by 150% over last year's funding. [ONDCP, The National Drug Control Strategy, 1997: Budget Summary, 1997]

Developed a comprehensive strategy to combat the trafficking and abuse of methamphetamine, one of the country's most dangerous drugs. The President fought for and signed legislation that increases penalties for trafficking in meth and those chemicals used to produce meth. [Comprehensive Methamphetamine Control Act of 1996, P.L. 104-237, 10/3/96] And the strategy worked. In the eight cities where meth use had been skyrocketing, it declined substantially in 1996. [National Institute of Justice's Drug Use Forecasting Program, 1996]

Stopping Drugs at the Border

Drug seizures are up. The Clinton Administration has increased seizures of marijuana by 50% - from 787,523 pounds in 1992 to 1,163,989 pounds in 1996. And seizures of heroin are up 32% -from 1,157 kilograms in 1992 to 1,524 kilograms in 1996. [DEA's FDSS Report, 3/11/97]

More border patrol agents than ever. There are now over 6,000 Border Patrol Agents stemming the flow of crime and drugs over the border. This represents an increase of over 70% since 1993. [Federal News Service, Prepared Testimony of Commissioner Doris Meissner, Immigration and Naturalization Services, 4/10/97]

Stopping drug smugglers. In 1996 the Clinton Administration implemented "Zorro II," an effort to shut down a cocaine trafficking partnership between the Cali mafia and a major Mexican mafia trafficking organization. The results: 156 suspects arrested; 5,500 kilograms of cocaine and 1,000 pounds of marijuana seized; and several million dollars of drug proceeds seized. [ONDCP, The National Drug Control Strategy, 1997: Budget Summary, 1997]

Part of a Strategy that's Working

Crime rates have dropped for five straight years. For five years before President Clinton took office, violent crime was *increasing* in America. The President's anti-crime strategy has helped reverse this trend --and violent crime has now *dropped* five years in a row. [FBI, Uniform Crime Report, 1/5/97]

Questions and Answers for Signing the Drug-Free Communities Act

Question: What does this legislation do?

Answer: The legislation authorizes up to \$143.5 million over the next five years for matching grants to community-based coalitions that are fighting youth drug abuse. Qualified community organizations would have to design and implement comprehensive abuse prevention and reduction programs, undergo a rigorous self-evaluation of their program effectiveness, have a significant level of local community volunteer involvement and be able to financially sustain themselves after the federal money is spent.

Question: What was the President's/Administration's involvement with the bill?

Answer: The Office of National Drug Control Policy worked hand-in-hand with the Congressional sponsors of the legislation from before the bill was introduced right up until its final passage in Congress. The bipartisan cooperation on the Hill and the Congressional cooperation with the President underscores the importance of effort of keeping our children drug-free.

Question: This is such a small percentage (about 1%) of the entire federal drug fighting effort (about \$16 billion). Will this make a difference?

Answer: This grant program is designed to provide federal "seed" money to encourage the development of new programs that will largely be modeled after existing highly-successful state and local community programs. Additionally, the federal grants will require a 100%, dollar-for-dollar match from state and local funding sources so each federal dollar will go twice as far. Finally, the legislation requires a thorough review and data collection process for each program. This will allow the Administration and Congress to evaluate the effectiveness of the new programs and if more resources are warranted, we will know that very quickly.

Question: This is an authorization bill. Will there be real money appropriated for this program?

Answer: We have strong commitments from the appropriators that the money will be there for this legislation when this year's appropriations cycle ends. Also, given the broad bipartisan support for the measure (420-1 in the House and passage by voice vote in the Senate) we expect to have very little trouble gaining the appropriations that will be necessary to see this legislation successfully implemented.

GUIDANCE ON MONDAY TAX EVENT
JUNE 27, 1997

- * Event will take place in Rose Garden or as departure statement.
- * The President, at about 9:30 a.m., will make remarks to reporters (the pool?).
- * He will lay out very specifically the goals he has for the conference on the tax relief bill that will take place following the Congressional recess.
- * His representatives will be very active in that conference, seeking to achieve his goals of a bill that genuinely promotes economic growth, that is targeted to middle-income families, that opens up the doors to college, especially 13th and 14th grades, for our young people, that is fair to low-income working families, and that does not explode the deficit in the out-years.
- * The President will be a little more specific than these goals. He will talk about specific policies that he thinks ought to be in the final bill.
- * As you know, while the President had a very good tax cut proposal in his own budget and has made modifications to it over the past few months, we have not, since the budget agreement, specifically stated how we would construct a tax cut with the numbers agreed to by the President and the Congressional leadership.
- * There will be a briefing with more specifics here in the briefing room either right after the President's remarks or, we hope, at noon, at a time when those of you traveling to Boston can hear it in the filing center.
- * Briefers will include at least Gene Sperling and Treasury Secretary Bob Rubin.

Q: Will he make veto threats?

A: Well, we want to work with the Congress on a bill that the President can sign. We've heard the Speaker and others say that they want to pass a bill that the President can sign. I think Monday's event is designed to make sure that the Congress understands what kind of bill that would be. A number of changes are going to be needed, and that's why we want to be sure they understand from the beginning of this conference what our priorities are.

Q: But how can he make new proposals at this time that are outside of anything either the House or the Senate approved? The conference can't consider other ideas, can it?

A: Well, I think we've all seen Congress deal with those kinds of procedural issues in the past

in order to get something done that they wanted to get done in a conference, and I think that won't be a problem here.

Q: Are you going to send up specific legislative language?

A: (Checking -- probably not.)

TOIV
Siewert

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20502

'S7 JUN 27 AM 8:33

June 27, 1997

MEMORANDUM FOR WHITE HOUSE SENIOR STAFF

FROM: ALICIA H. MUNNELI *Alm*

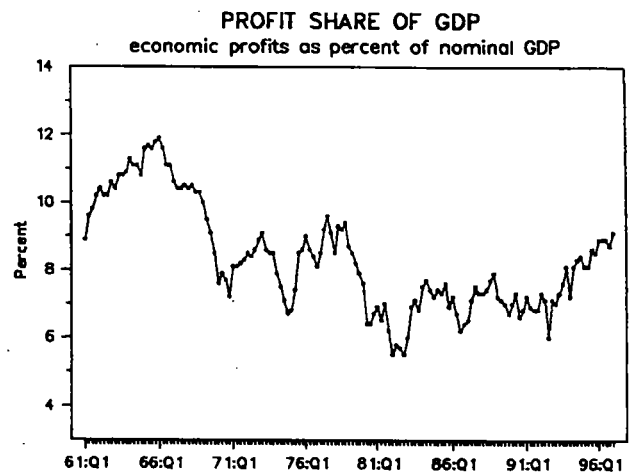
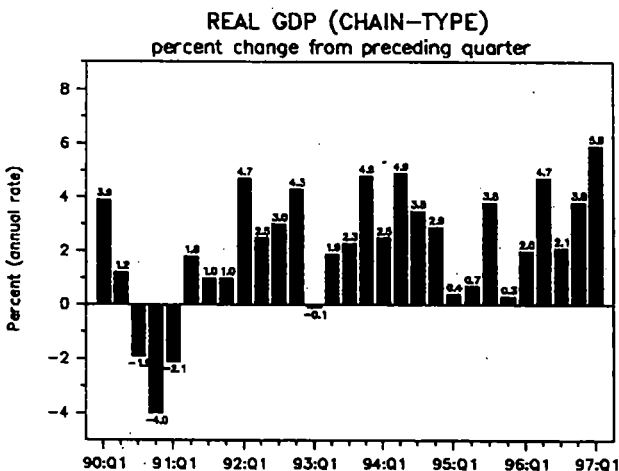
SUBJECT: Final Estimate of First-Quarter GDP, Commerce
Department Release, Friday, 8:30 a.m.

The Commerce Department's estimate of real GDP growth in the first quarter was revised up slightly to 5.9 percent at an annual rate from the preliminary estimate of 5.8 percent. The figure was close to market expectations.

- An upward revision to net exports was partially offset by a downward revision to inventories.
- As reported earlier, first-quarter growth was accounted for by large increases in consumption, business fixed investment, and inventory building.

The revisions in this GDP report had been foreshadowed by recent statistical releases, and provided no surprises. Next Thursday's employment report will give us a clearer view of the second quarter, but we now expect real GDP growth around 2 percent at an annual rate.

Profits in the first quarter (excluding special factors) were up about \$24 billion at an annual rate--a bit less than reported earlier. The profit share of GDP in the first quarter, at 9.1 percent, was the highest since 1978 (chart).



Q: Does Secretary of State Albright plan to visit Cambodia on her upcoming trip as planned?

A: The Secretary has decided not to proceed with plan to stop in Cambodia.

The Secretary, after carefully reviewing the security situation in Cambodia, determined that circumstances at this time would not permit her to accomplish trip objectives as she had hoped. She also took into account security related complications stemming from the June 17 firefight in Phnom Penh and the uncertainty surrounding the situation in Anlong Veng. The Secretary continues to be very much personally engaged on Cambodia; expresses strong support for democracy in Cambodia; calls on all parties to eschew political violence; and supports efforts to bring Khmer Rouge leaders to justice.

Q: What is the Administration's reaction to events in Cambodia?

A: We are aware of reports of Pol Pot's capture, but are awaiting confirmation and clarification of the situation from the Cambodian Government. Pol Pot is still in the custody of the Khmer Rouge, not the Cambodian Government.

We strongly support the objectives of the 1994 Cambodian Genocide Justice Act aimed at bringing those Khmer Rouge responsible for genocide and crimes against humanity to justice for the heinous crimes committed from 1975-79. We would support a decision by the Cambodian government to request assistance for an internationally sanctioned prosecution of KR leaders responsible for such crimes.

Concerning the suggestion that the United States take Pol Pot into custody, we would have to determine in consultation with the Department of Justice whether the United States has any basis for jurisdiction before we could contemplate such a step. It is, however, quite premature to speculate about next steps at this point.

Q: What about others who may also have committed crimes during that period?

A: It is too early to speculate at this point on either the format or other aspects of such a trial.

Q: Have you encouraged the UN or the Canadian Government to take steps to bring Pol Pot out of Cambodia?

A: We are aware of the desire of the Cambodian Government to have Pol Pot put on trial in an international court, rather than in Cambodia. We support this, and will be working with others to make sure international justice is carried out.

We are in touch with several countries regarding the possibility of their taking temporary custody of Pol Pot, if needed, without necessarily committing to keeping him for trial. With regard to a UN role, we are prepared to look at possible options with the UN, and

are not ruling out any options at this point. Again, however, we would caution that this process is still in a very early stage.

Q: What is your reaction to the Hoagland piece in today's Post?

A: United States policy toward Iraq is clear and well known.

As a matter of policy, we do not comment on intelligence issues.

IF ASKED:

Q: What is the United States policy toward the Iraqi National Congress (INC)?

A: The United States has long supported the goals of the Iraqi opposition which include the maintenance of Iraq's territorial integrity and a free pluralistic Iraq at peace with its neighbors.

In this respect, we have always viewed the Iraqi National Congress as an integral part of the Iraqi opposition.

Moreover, we have stood behind the INC's efforts to forge unity and cohesion within the ranks of the Iraqi opposition.

Q: What action do you plan to take on the latest Iraqi blocking of weapons inspectors?

We take such incidents very seriously.

They violate Iraqi obligations to cooperate fully with inspections to detect WMD.

Pleased that UNSC passed strong resolution condemning this obstructionism and warning of further sanctions if it continues.

KANSI
June 24, 1997

Q: Can you confirm reports that Secretary Albright telephoned the Pakistani Prime Minister, Nawwaz Sharif, regarding the arrest and bringing to the United States of Mir Amal Kansi?

A: Mir Amal Kansi's arrest was an important victory for US efforts to combat terrorism.

It demonstrated the determination of the United States to bring to Justice those who attack Americans, however long it takes.

Many US Government officials were involved in this successful operation.

However, we are not going to get into the specifics about who was involved or who was contacted.

Q: What is the reaction to the return and arrest of the suspect in the 1993 CIA shootings?

A: Express our deep appreciation to the FBI, CIA, and the Departments of State, Justice and Defense for their extraordinary work in bringing Mir Aimal Kansi to the United States.

The men and women who participated in the effort to bring Kansi here showed great courage in carrying out this mission.

The success in apprehending Kansi demonstrates that we are determined to do what is necessary to track down terrorists and bring them to justice.

The United States will not relent in the pursuit of those who use violence against Americans to advance their goals -- no matter how long it takes, no matter where they hide.

Today, our thoughts are also with the families of the victims. Although nothing can restore their loss, we hope that the prospect of justice in this case will bring them a measure of comfort.

June 25, 1997

Q: Where are we one year after the Khobar bombing?

One year ago today, a terrorist bomb exploded in front of Khobar Towers in Dhahran, Saudi Arabia, killing 19 Americans. We share the special grief this day brings to the families of the airmen who died a year ago.

Since then, we have made every possible effort to bring those responsible to justice, a process that is still ongoing. As we have pursued this investigation, we have received cooperation from the Saudi authorities. We have enhanced our military security by moving our facilities in Saudi Arabia, with substantial Saudi cooperation and funding.

We will continue to give this investigation top priority. We have reached no conclusion regarding responsibility for Khobar. Just as we have in other terrorist cases, we will take all the time necessary to complete a thorough investigation. Because this is an ongoing criminal investigation, I cannot comment on the details of our current activities.

Q: Many reports are pointing the finger at Iran. Is this where your investigation is leading? If Iran or those under Iranian influence prove responsible will we react militarily?

As this is an ongoing criminal matter, I cannot comment on our investigations. Nor will I comment on what action we may or may not take in a hypothetical situation.

Q: One year later, not one commanding officer has been court-martialed or even fired for their negligence in allowing 19 of those under their command to be killed. Where is the accountability?

These matters are still under review by the Secretary of Defense, who said just two weeks ago that he is in the process of going through the Downing report, the General Record report and the IG report. I refer any further questions to the Defense Department.

Q: Will U.S. forces in the region be on increased alert during the anniversary period?

USCENTCOM continues to monitor and enhance force protection measures to minimize potential risk to U.S. forces in the region.

Q: What is status of Sayegh?

Mr. Sayegh was deported from Canada to the U.S. He is in custody. I cannot comment any further.

Q: Was Sayegh working for Iran?

We will not comment on an ongoing investigation.

Q: Can you confirm that Sayegh is linked to Khobar? Did you make a deal for his extradition?

A: The Canadian government decided to deport Sayegh to the U.S. The deportation was based on the fact that the U.S. was the last country he had been in prior to entering Canada.

He has arrived in the U.S. and been taken into custody. I cannot comment further on this matter.

LASER INCIDENT

June 26, 1997

[Background to Briefer :When the Bill Gertz account of the "Russian" laser incident appeared on May 14, Secretary of Defense Cohen pledged a public accounting once DoD completed its review of the whole episode. That report is now due to be released on Thursday, with advance Hill briefs Wednesday afternoon. Defense has been coordinating the text of the report, which is unclassified, with NSC, State and the Coast Guard. The basic conclusions are:

1. DoD was able to determine that the photograph taken from the helo of a red light on the bridge of the Russian freighter --originally thought to have been a laser -- shows a red navigation light, and not a laser.
2. The U.S. Navy Lieutenant's eye injury was most likely caused by a laser with a high pulse repetition rate. However, the injury would not likely have been caused by a small, low-level, commercially-available laser range finder (which could be easily hidden or thrown overboard), but rather by a larger, fixed laser.
3. The Coast Guard search of the Russian freighter revealed no laser and no evidence that any laser, fixed or otherwise, had been removed or hidden. The Russian crew allowed the inspectors to see everything the inspectors asked to see.
4. There is no evidence implicating any other ship that the helo flew near that day, or any other laser source.
5. Bottom-line: the source of the laser that caused the eye injury remains unknown.]

Questions and Answers

Q. What is the condition of the injured men?

A. Both the US Navy Lieutenant and the Canadian pilot have fully recovered their vision. The small lesions that were found in the US Navy Lieutenant's right eye are believed to be permanent, but do not interfere with his vision.

Q. Why was a Canadian military helicopter flying around a ship in US territorial waters?

A. The Canadian helicopter was on a routine maritime surveillance patrol in the Strait of San Juan de Fuca, which lies between the United States and Canada. The M/V KAPITAN MAN was in the inbound traffic lane, which lies on the US side of the Strait. Our two nations work closely together to ensure the safety and security of shipping in the Strait.

Q. Why was a US Navy officer in the Canadian helicopter?

A. The US Navy lieutenant is a liaison officer assigned to the Canadian Maritime Command Pacific. The US and Canadian armed forces work closely together in many areas, including maritime patrol and reconnaissance. The US Navy lieutenant's presence on the Canadian helicopter was a routine part of his liaison duties.

Q. On what grounds was the Russian ship detained?

A. The US Coast Guard has statutory authority under the Ports and Waterways Safety Act and the Magnuson Act to inspect vessels in US ports and waters for hazardous materials or conditions, and to detain vessels for this purpose.

Q. Who conducted the inspection?

A. The inspection was conducted by the US Coast Guard. They were assisted by a Russian linguist for crew interviews and US Navy personnel to aid in identifying any laser-type devices that might have been found.

Q. Did Canadian officials participate in the search?

A. No Canadian officials participated.

Q. Was the Coast Guard ordered to limit their search of the ship in any way?

A. No. Confusion on that point arose because some Coast Guard safety inspections are normally limited to "common areas" of the ship being inspected. No such restriction was imposed on the search of the M/V KAPITAN MAN. The Coast Guard inspection team reported that the Russian crew was cooperative and agreed to grant them access to any area they asked to inspect.

Q. Did the US Government notify the Russian Government of this incident?

A. We informed the Russian Government of the incident and that the M/V KAPITAN MAN had been detained by the US Coast Guard for inspection.

Q. How did the Russian Government react to our actions?

A. The Russian Consulate in Seattle offered their services to assist the Coast Guard in their inspection of the ship. The Coast Guard expressed willingness to conduct the inspection with a Russian consular officer present. The Russian Consulate in Seattle elected not to participate. The Russian Government has indicated that it will cooperate in our investigation of this incident.

Q. Why was the Russian ship released?

A. The Coast Guard inspection team reported that they had satisfied the purpose of the inspection, which was to determine if hazardous materials or conditions were present on the vessel. The inspection team found no hazardous materials or conditions, and the Coast Guard informed the Master of the M/V KAPITAN MAN that the order detaining his vessel had been canceled.

Q. Was the Russian ship engaged in intelligence collection?

A. I have no information that it was. You should refer that question to the Department of Defense.

Q. If no laser device was found on the Russian ship and the crew denied shining a laser at the Canadian helicopter, how do you explain the eye damage suffered by the two men?

A. The Department of Defense has concluded that the eye damage was caused by a laser but they found no evidence tying the eye injury to the American officer to a laser located on the Russian merchant vessel. Nor was OSD able to identify from the available evidence any other potential source of the laser.

Q. What about the photograph that showed a possible laser on the Russian ship?

A. The Department of Defense concluded that the red light in the photograph was the ship's port navigational running light.

Q. Did the US Government protest this incident to the Russian government?

A. On April 8, the State Department raised the incident with the Russian Government. We pointed out the hazards of lasers and urged that the Russian Government ensure that Russian commercial ships were aware that inappropriate use of laser range finders could cause injury.

For use only if asked:

Q. If the Russian ship did point a laser at the helicopter, would it be a violation of the ban on blinding laser weapons?

A. The Convention on Conventional Weapons Protocol on Blinding Laser Weapons prohibits only the employment of "laser weapons specifically designed, as their sole combat function, to cause permanent blindness to unenhanced vision, that is to the naked eye or to the eye with corrective eyesight devices." Laser systems that are not covered by the Protocol are widely used by the armed forces of many nations, including those of the United States, for purposes such as detection, targeting, range-finding, and communications. Lasers are also being used for an increasing number of commercial applications, which also are not prohibited by the protocol.

Q. Has the protocol on blinding laser weapons entered into force?

A. No, but signatory states have taken on an obligation to respect its terms to "the fullest extent possible" pending its entry into force." The CCW Protocol on blinding laser weapons was signed on May 3, 1996 and requires the ratification of twenty countries. It was submitted to the Senate for advice and consent to ratification on January 7th of this year. Although Protocol IV has not yet entered into force, the Final Declaration adopted by all CCW parties at the conclusion of the conference at which Protocol IV was adopted stated that all parties "solemnly declare ... their desire that all states, pending entry into force, respect and ensure respect of the substantive provisions of Protocol IV to the fullest extent possible."

U.S. Policy on Caspian Energy and Pipeline Development

- **U.S. and other foreign companies have actively pursued energy exploration and production opportunities in the countries of the former Soviet Union since 1991, with many of the efforts focused on the Caspian Sea basin.**
- **A critical issue in the successful commercial development of Caspian Sea energy resources is the ability to transport these resources to world markets. The Caspian's landlocked location far from leading markets for oil and gas makes this concern all the more serious.**
- **Based on the number of planned oil and gas projects in the Caspian Sea basin (including Kazakstan, Azerbaijan and Turkmenistan), experts predict that there will be the need for between four and six main export pipelines over the next several decades.**
- **Since at least World War II it has been U.S. policy to support multiple pipelines for the transport of energy resources in order to enhance energy security. Reliance on a single pipeline for energy transport leaves both the supplier and consumer countries vulnerable to a pipeline shutdown. Besides enhancing energy security, multiple pipelines also encourage competition and foster lower energy prices.**
- **U.S. support for multiple pipelines from the Caspian Basin has been our stated policy since early 1995. An Administration official speaking with Platt's Oilgram on February 2, 1995 said that "we support multiple routes." On February 24, 1995, a senior State Department official said that "in the short-run there should be a variety of viable alternatives, and that in the medium-to-long-run the resource base in the region should support multiple pipelines."**
- **State Department press guidance on February 3, 1995 also noted that "we expect eventual production in the Caspian region to require multiple pipelines." A March 9, 1995 State Department message to our embassies in the Caspian region stated that "the USG still believes multiple routes are necessary and that their development will provide additional security for oil companies as they proceed."**
- **Mike McCurry in describing a telephone call between President Clinton and Azerbaijani President Aliyev in early October 1995 said that "President Clinton expressed his support for commercially viable, early constructed and multiple oil pipelines from the Caspian Sea region."**
- **In February 1995, the United States endorsed a pipeline route from Baku, Azerbaijan to Ceyhan on the Mediterranean coast of Turkey. State Department guidance on February 3 stated that "we would endorse construction of a pipeline through Turkey. We are not ruling out other routes."**

- **The U.S. endorsement of the Baku-Ceyhan route did not include an endorsement of any particular route to Ceyhan. February 3 State Department guidance clearly stated that “the U.S. has not endorsed a particular route to Turkey.” Possible routes include lines through either Armenia, Georgia or Iran. We have expressed our opposition to any route through Iran given our policy to oppose projects which could provide Iran with political and/or financial benefits.**
- **To this day we have not taken a position on which route the Baku-Ceyhan pipeline should take. Our position was and remains today that the route chosen is a decision for private companies and should be based on commercial principles, non-discriminatory access and market-based tariffs. We have strongly resisted efforts by countries and companies to “choose” an export route.**
- **The State Department’s April 1997 Report to Congress on Caspian Region Energy Development succinctly stated overall U.S. policy on the Caspian. “It is the Clinton Administration’s policy to promote rapid development of Caspian energy resources through multiple pipelines and diversified infrastructure networks to reinforce Western energy security, and provide regional consumers alternatives to Iranian energy.”**

INDONESIA

June 26, 1997

Q: Did President Clinton nominate Megawati Sukarnoputri for the Nobel Peace Prize?

A: No, the Executive Branch of the U.S. Government does not nominate persons for Nobel prizes of any kind.

MEXICO
June 26, 1997

Q: What is the U.S. position on the Sonora Governor?

A: The White House has no comment on Governor Beltrones issue. Refer questions to State.

Buyer-Skelton Amendment for Date Certain Withdrawal from Bosnia

- President's senior advisors have recommended a veto if such a measure passes both houses of Congress. Even though we have no plans to extend the SFOR mandate past June 1998, requiring a withdrawal from Bosnia by a date certain interferes with the President's foreign policy prerogatives and is counterproductive.
- A withdrawal by a date certain – with no regard for the situation on the ground and progress to be made on civilian implementation – would call into question our commitment to implementation of the Dayton Accords, our reliability as a NATO ally, and our commitment to peace and stability in Europe. To our troops on the ground and those who have served in Bosnia, this legislation would question the purpose and value of their service and sacrifice.
- As the President has emphasized, our focus should be on the hard work that needs to be done in the next year on civilian implementation. U.S. political and economic engagement in Bosnia will remain essential after SFOR's mission is done, and we can only succeed if the parties and the international community remain assured of U.S. leadership and commitment.

World Bank and IFC Loans to Croatia

- We have secured a delay in consideration of a \$30 million World Bank loan to Croatia and are consulting with allies and other World Bank board members about the loan. During that time we hope to win support for a longer delay in order to better evaluate Croatian behavior on key aspects of Dayton implementation. We have made clear to the Croats 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 made clear to the Croats that we expect follow-through on these and other Dayton obligations commitments, such as better cooperation on war criminals, in advance of other IFI votes on Croatia. Since Croatia has not met these expectations, we have serious concerns about proceeding with this loan at this time.

Senate Appropriations Committee Foreign Ops Bill

Q: What is the Administration's position on language requiring U.S. to vote against international loans to countries that fail to cooperate on war criminals.

A: We support the goals of the legislative proposal. However, we cannot support the language as written.

U.S. is deeply committed to bringing war criminals to justice. Those indicted must be turned over to the International Tribunal to stand trial. As President Clinton and his counterparts said in Denver, those who fail to cooperate on war criminals and other aspects of the Dayton Agreement will not have full access to economic or other assistance..

However, the proposal as written undermines our leverage and flexibility needed to compel Bosniaks, Croats and Serbs to fulfill their Dayton obligations. The proposed legislation as written would be ineffective and virtually impossible to implement.

We will work with interested senators to find more appropriate ways to advance our mutual goal.

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.

War Criminals

- We continue to remain deeply concerned with the slow progress on war crimes front in Bosnia. The recent start of the trial of Tihomir Blaskic by the International Criminal Tribunal is another small step toward justice in Bosnia, a key ingredient to long-term peace. 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 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.

Bosnia Implementation Plan

- 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. The President also raised these issues with his counterparts at the Summit of the Eight this past weekend.
- Both Allies and the parties welcomed our renewed efforts to ensure timely, concrete progress on implementation. The Summit of the Eight leaders released a statement reinforcing to the parties 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.
- Implementation of Dayton and bringing long term peace and reconciliation to Bosnia remains a long term process and much work remains to be done. Nevertheless, we should take heart in all that we have accomplished and re-focus our efforts in order to finish the job.

Train and Equip Program

- The international Train and Equip program is successfully helping to establish a stable military balance in Bosnia, which is one of the keys to establishing a lasting peace in the region. The recently announced delivery order of 116 refurbished howitzers and 21 heavy equipment transporters from U.S. Army excess stocks to Bosnia is part of the ongoing program to meet the defense requirements of the Federation, as identified shortly after Dayton, and within the parameters of the Bosnia arms control agreements.
- The T&E program continues to facilitate concrete progress in the formation of joint Federation defense structures that will be critical to strengthening the Bosniak-Croat Federation. The latest step forward in this regard, announced in Sarajevo last week, are the agreements between Presidents Izetbegovic and Zubak on a joint Federation Military Strategy and on key commands.

IRELAND
June 27, 1997

Q: Any comment on the installation of the new government in Ireland?

A: We look forward to working with them on the Northern Ireland Peace Process as well as on a wide range of other issues.

Q: Will the President be contacting Prime Minister Ahern?

A: The President is sending a congratulatory message and will be in touch with him on the peace process.

[Note to Briefer : No specific plans for a phone call yet.]

NORTHERN IRELAND

June 26, 1997

Q: What do you think of statement Blair made in Parliament June 25 on Northern Ireland?

Welcome Prime Minister's statement and British aide memoire made public yesterday. British Government is making a courageous, straightforward effort to get an inclusive process going on the basis of an unequivocal IRA ceasefire.

Urge URA, as we consistently have, to declare and implement ceasefire, and to pursue goals by democratic, exclusively peaceful means.

The talks must go forward, ideally with Sinn Fein on basis of unequivocal IRA ceasefire, without them if necessary.

Q: What do you think of the joint Anglo-Irish strategy on decommissioning that was unveiled June 25?

Welcome paper by two governments on how to handle thorny issue of decommissioning. Their proposal follows suggestion made in Mitchell Report for decommissioning in parallel with progress in talks.

Urge parties in talks to move forward into substantive negotiations on basis of the reasonable approach outlined in joint paper.

Q: Is there hope for the peace process with violence escalating, marching season approaching?

A: Welcome invitation by British Government to Garvaghy Road residents and Orange Order to proximity talks in Belfast to seek accommodation on parade planned for Drumcree July 6. We welcome agreement of both sides to participate.

As height of marching season approaches, we appeal to the fair-minded peace-loving people of Northern Ireland not to let men of violence push them into sectarian confrontation.

MURDER OF POLICEMEN IN LURGAN JUNE 16

- We are outraged by the callous murder of two policemen in Northern Ireland and extend our deepest sympathy to the families of the two slain officers.
- The IRA has claimed responsibility for this brutal act of terrorism. There can be no reason, no excuse, no apology for these heinous crimes.
- 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.

BELFAST TALKS

- Belfast peace talks chaired by Senator Mitchell, which reconvened June 3, offer only way to achieve just and lasting settlement to conflict. Change can only come through dialogue and negotiation, not violence.

CONTACT WITH SINN FEIN

- The President has many times called on the IRA to end the violence and declare an unequivocal cease-fire. Committed to remain actively engaged in search for just and lasting peace.
- The U.S. maintains contact with all parties to reinforce this message and to support the two governments' efforts to move the process forward.
- Also keep in direct, frequent touch with British and Irish officials.
- We do not go into detail on our diplomatic contacts in support of the peace process..
- If pressed:: We will keep open channels of communication to Sinn Fein as long as we believe that is helpful to the peace process.

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.

ISRAEL
June 27, 1997

Barak Calls at White House

- Q: What is the purpose of the meetings at the White House today with Ehud Barak, head of the Israeli Labor Party? Does this indicate a distancing from the Israeli party in power?**
- A: Mr. Barak is on a private visit to the United States. The Vice President and Mr. Berger will see him today. As you know, we make it a practice to stay in touch with the major figures on the Israeli political scene. There were similar meetings with the current Prime Minister when he was in the opposition.**
- Q: Any comment on the current difficulties of the Netanyahu government, and the name-calling going on between Labor and Likud?**
- A: No, you know we don't comment on Israeli domestic issues.**

MIDDLE EAST PEACE PROCESS

June 17, 1997

Q: Your announcement on aid for Jordan seems to be the only U.S. activity related to the peace process. Have you decided to step back from active engagement?

A: The United States has a fundamental interest in pursuing a just, lasting and comprehensive peace in the Middle East. That has been our consistent objective over many years. During difficult moments, it is easy to forget that some very significant progress toward that goal has been made.

The framework in which that success was achieved has been a credible, direct negotiating process between the parties. That is what is lacking we lack now, and what we, the Egyptians, and the parties themselves are working to restore.

Obviously, for such a process to succeed, there must be a 100% effort to discourage and prevent terrorism. It is essential that the Palestinian Authority leave no doubt that it is committed to fighting terror and that it neither encourages nor tolerates it.

The parties need to return to the serious give and take of negotiations. We can help them with that, but we cannot do it for them.

They need to take each others' interests into account and they need to avoid actions which preempt negotiation, especially on those difficult permanent status issues that they have agreed to deal with in negotiations.

We have done a lot in recent weeks and months to help them understand each others' interests and needs. They will need to take the tough political decisions that can put them back on the road to credible negotiations.

Q: So you are essentially ruling out an American initiative in which you would present your own ideas on how to deal with the tough issues?

A: We are going to stay involved in this process as one of the highest foreign policy priorities of the Administration. We cannot and will not impose solutions -- that approach just doesn't make sense. This is not an academic project. It's one thing to write studies and papers that reflect a certain view of a new reality; it's quite another to carry out the painstaking diplomacy necessary to effect change.

I'm not ruling out the notion of the United States presenting ideas to the parties on how to treat certain issues. That has been part of our role and it will continue to be. But the focus still has to be on the parties themselves nurturing a credible negotiating process in which it is possible to address difficult issues constructively and have some decent chance of reaching agreement.

Q: Do you believe Israeli intransigence on Har Homa and its efforts to expand settlements should be viewed as the main problem holding up progress now?

A: We've made our views very clear about actions that tend to preempt negotiations on permanent status issues.

We are not going to spend a lot of effort blaming one party or the other. We frankly need to see less focus on blame and more focus on efforts to restore serious engagement by the parties.

Q: What is your reaction to the confrontation between IDF soldiers and Palestinian youths in Hebron?

A: Our position is very clear that no benefit can be gained in the peace process through violence.

For concrete progress to be made in the process both the Palestinian and the Israeli leadership should return to the negotiating table to discuss their differences.

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

A: The Egyptian initiative to intensify Israeli-Palestinian dialogue is continuing.

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

Q: Is 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.

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 detracts.

RUSSIAN MIR ACCIDENT

June 27, 1997

Background

At 5:27am EDT Wednesday morning, a Russian Progress resupply vehicle hit the SPEKTR module on the Russian Mir Space Station, resulting in a gradual loss of pressurization. A solar panel was also damaged, and cabling from the damaged module had to be disconnected, resulting in a 50% reduction in electrical power available on the Mir. The crew has sealed off the module, and the situation is secure. U.S. astronaut Michael Foale and his two Russian crew members are in no immediate danger, and there is no current plan to evacuate the Mir. NASA and the Russian Space Agency have established a group to investigate the accident.

- **NASA and Russian ground controllers have been in regular contact with the crew and are discussing a range of technical options to deal with the situation. It will take some time to determine if and how we can recover the damaged module's full capability and whether full power can be restored to the Mir.**
- **Any decision on bringing the crew home earlier than planned will be made after we have determined the extent of repairs needed to return the Mir to normal operations. (Foale's mission was launched on May 15, planned return is late September.)**
- **If the crew should need to evacuate, they can return on the Russian Soyuz spacecraft, a "lifeboat" attached to the Mir. The crew will make this decision if they feel it is necessary and they have already performed a readiness check on the Soyuz.**

Q: IF ASKED: In view of accident, should U.S. continue with space station and Russian participation in it?

A: We remain committed to space station program and Russian participation in it. Our experience on the Mir has provided us with invaluable operational experience in dealing with situations that may arise on a permanently inhabited space station. It has also strengthened communications between Moscow's ground control and NASA. This will be critical for successful operation of the International Space Station. This incident does not alter our plans for future cooperation.

June 27, 1997, 6:35 AM

Mir Incident Status

- **During the early morning, Moscow time, the Mir motion control system shut down causing loss of active attitude control with the propulsion jets. The crew once again used the Soyuz to control attitude and they are now charging batteries to reactivate the motion control system. The MCC-Moscow is working to update the onboard computer. Reactivation of the gyrodynes must wait for more stable attitude control.**
- **The first objective is to bring the Mir back to a normal state of operations. The oxygen levels and Mir pressurization are good. The spacecraft's remaining solar arrays are oriented to recharge its batteries. The toilet, the Vozdukh CO₂ removal system, the micro-filtration system and the thermal control in the Base block are working. Throughout the day conditions have continued to improve.**
- **A plan is being developed to recover power from the Spektr module; however, it will take some time to determine the specifics and the extent of what can be recovered. The teams are considering options that involve both internal activities and external spacewalks. The Russians have deferred the launch of a Progress logistics flight to Mir, until it can be determined whether equipment to effect repairs can be quickly made available. The flight control team has been talking to the crew to determine what type of equipment will be needed to effect repairs. The Progress flight is expected no earlier than July 5.**
- **This incident is not related to the age of the Mir spacecraft. Prior to Mike Foale's launch, NASA conducted its own internal reviews and initiated an independent assessment that validated the continued U.S. presence on Mir. However, NASA will revalidate its safety analyses and seek an independent review of Mir status, as the Mir damage assessment and repair activities are understood.**
- **The Russian Space Agency and NASA have already initiated a joint Russian-U.S. review board to investigate the accident and recommend next steps.**

**Mir 23/NASA 5 Status Report
Mission Control Center, Korolev
June 27, 1997 -12:30 p.m. EDT**

The Russian Space Station Mir continues to orbit the Earth in stable condition. The Mir 23 cosmonauts, Commander Vasily Tsibliev, Flight Engineer Alexander Lazutkin and U.S. astronaut Mike Foale, are in good condition as they continue to work with Russian flight controllers to develop methods for possible repairs to the Spektr module, which was damaged during a collision Wednesday with an unmanned Progress resupply vehicle during a redocking test.

Mission Controllers and technical specialists met again Friday morning at The Russian Mission Control Center to discuss their plans for the recovery of power from the three undamaged Spektr solar arrays. The head of the Russian Space Agency, Yuri Koptev, briefed reporters at MCC-M on Mir's status, saying that a special "plate" is being manufactured that will be mounted between the node to which the Core module and the Spektr module are attached during an internal "space walk" which is expected to be conducted by Tsibliev and Lazutkin in mid-July. They will be wearing spacesuits to perform the task, which may also include an inspection of Spektr, which lost its atmospheric pressure due to a puncture or a gash created by the collision. Foale will be located in the lower stage of the Soyuz capsule during the procedure, wearing his own spacesuit.

Koptev said that the plate, through which 22 cables can be run, is in the final stages of being built. The cables will be used to bring power from the Spektr arrays to the Core module to maintain proper charging of a variety of Mir batteries.

After the Mir's Kvant-2 module batteries lost their power earlier today, the Mir regained stable inertial attitude control at mid-morning through another thruster firing by the Soyuz capsule's jets. That will enable the Mir's gyrodynes to be reactivated on Saturday for automatic attitude control and solar pointing by the station for its active solar arrays.

Environmental conditions in the station are normal. The atmospheric pressure in the Core Module has remained stable since the Spektr module was closed off and isolated from the rest of Mir Wednesday. Oxygen levels aboard Mir are good and the removal of carbon dioxide is being handled by both U.S.-supplied lithium hydroxide canisters and the "Vozdukh" carbon dioxide scrubber. Telemetry from the Spektr module shows that the module is not yet at vacuum, but its atmosphere is close to being depleted through the leak. The exact location and size of the leak is not yet known.

Flight controllers continue to develop tools and procedures which may be used by Tsibliev and Lazutkin to recover the use of the Spektr's solar power. Veteran cosmonaut Sergei Krikalev is leading the effort to refine the tasks to be conducted by Tsibliev and Lazutkin. He will be joined by Richard Fullerton, the head of NASA's spacewalk working group and an as yet unnamed NASA astronaut with spacewalking experience. Veteran astronaut John Blaha, who spent four months on the Mir late last year, may also travel to Moscow to assist in the assessment of Mir's systems.

The new Progress resupply capsule will soon be packed with the materials needed to make the repairs to Mir. The launch of the new Progress is planned for early July. Russian ground controllers are also gathering data from the Progress capsule in orbit which collided with the Mir in an attempt to determine the cause of Wednesday's incident before it is commanded to deorbit.

[Background: A group of Nicaraguan nationals has recently filed a lawsuit challenging the U.S. government's implementation of new laws restricting eligibility for suspension of deportation – a discretionary tool that permits the Justice Department to grant permanent residence to undocumented aliens with strong equities in the U.S. The Board of Immigration Appeals (an administrative tribunal within the Department of Justice) has ruled that restrictive aspects of the new law are essentially retroactive and this has had a negative effect on many Nicaraguans who have applied for suspension of deportation. Yesterday, Judge James Lawrence King of the United States District Court for the Southern District of Florida entered a preliminary injunction staying this interpretation of the law.]

Q: Has the U.S. government decided whether to appeal the court's decision staying implementation of the new law?

A: The government has requested a stay and is currently considering whether to file an appeal of the decision.

Q: Is the administration exploring options to remedy the problems faced by the Nicaraguans and others under the new law?

A: Consistent with the President's statements after meeting with the Central American presidents last month, the administration is actively considering both administrative and legislative options for remedying the harsher effects of the new law, particularly as it relates to Nicaraguans and other Central Americans.

Q: What is the Administration's reaction to Senate passage of the U.N. arrears bill?

A: There is much in the bill that the Administration supports. The agreement to pay more than \$800 million in U.S. arrears to the UN is a major step forward.

Appreciate good-faith efforts that Helms, Biden, and others made on this issue.

The bill contains provisions that cause us concern. As the legislative process moves ahead we will work with Congress on them.

Q: The United State's summit partners have been critical of the arrears package. Comment?

A: I believe that overall the package is an important step in the right direction.

We know that persuading other UN member states to embrace these reforms will be a challenge for U.S. diplomacy.

Are confident the UN members will agree that a reformed UN will be stronger, more effective, and more relevant, and they will support this initiative.

We believe UN needs to embrace extensive reforms if it is to remain relevant in meeting the challenges of the next century – many of which we are addressing here in Denver.

[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 authorities to visit the U.S. for private activities. Mr. Chang's predecessor Fred Chien 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.

Q: What is the U.S. reaction to the Taiwanese military exercises, including live firings, just before the Hong Kong reversion?

A: The Taiwan military exercises are part of regularly planned training, are taking place over the island, are at a low-level of forces activity and are not seen as provocative. Reactions from countries in the region to the training are restrained.

HONG KONG

June 27 1997

Q: What is your view of China's sending 4500 PLA soldiers into Hong Kong on July 1?

A: The agreement between the UK and China on reversion to Chinese sovereignty specifies that China will be responsible for Hong Kong's defense. The troops entering Hong Kong on July 1 will fill out the garrison, per the agreement.

China has indicated that PLA troops will have a very low profile in Hong Kong, once their entry is completed. They are specially-trained for this mission, and have uniforms different from the PLA in China proper. They will not interfere with normal government or police operations.

The garrison size is 5000, with another 5000 to remain across the border in Shenzhen. For comparison, British forces numbered about 6500 in the early 1990s.

Q: What are you doing about reports that Wei Jingsheng is being beaten in his Chinese jail?

A: We have asked the Chinese Foreign Ministry for a report on Wei's condition, based upon the stories cited in the press. We have not yet received a response to our request. Obviously, Wei's health and well-being are of concern to this Administration, as to many in the United States. We expect he will be treated properly, as stipulated by Chinese law.

Q: Why is the Consul General Richard Boucher attending the swearing-in ceremony for the Hong Kong Provisional Legislature?

A: The Provisional Legislature is the body the U.S. will need to work with as Hong Kong transitions to Chinese sovereignty. Boucher is our representative in Hong Kong and he will be working with members of the legislature until the new legislature is elected. We have urged that early elections be scheduled.

Q: There are concerns that press freedom will be curtailed in Hong Kong. What would the USG do if that proves to be the case?

A: There exists now a substantial web of protections for civil liberties in Hong Kong now, including press freedoms, freedoms of speech and association and the right to strike. China has agreed that Hong Kong's way of life will be preserved after July 1, and these freedoms are integral to Hong Kong's economic and social vitality. We will watch closely how these civil liberties are preserved over time.

Other factors that contribute to Hong Kong's high degree of autonomy include the independence of the court system, the continuation of the very professional and independent civil service, the independence of the monetary system and Hong Kong's ability to participate in certain international organizations such as the WTO.

Of particular interest is the holding of free and open elections as early as possible for the legislative council. We encourage the Hong Kong authorities to limit the scope and duration of the current provisional legislature to drafting of the electoral law and early replacement by a freely elected legislative council.

Q: Human rights activists plan protests for July 1, a New Hong Kong Voice of Democracy group will be formed, and a poll shows 60% of Hong Kong citizens fear erosion of rights. Will this affect our China policy, MFN?

A: It matters to us that the people of Hong Kong retain their civil liberties and open economy -- because we hold these principles in common with them. China has made important commitments to maintain Hong Kong's freedom and autonomy. Our nation has a strong interest in seeing those commitments kept.

The United States is doing its part to keep faith with the people of Hong Kong. We have negotiated agreements that will safeguard our presence and continue our cooperation. We will work with the new Hong Kong government to maintain a productive relationship that takes into account both its changed relationship with China and its promised autonomy. We will closely monitor the transition process and the preservation of freedoms that the people of Hong Kong have relied on to build a prosperous, dynamic nation.

The transition process did not begin and will not end on July 1. But as it unfolds, one thing we must not do is take any measures that would *weaken* Hong Kong just when it most needs to be strong. And no step would more clearly harm Hong Kong than reversing the course we have followed for years by denying normal trading status to China.

Many do expect demonstrations and protests to take place at the time of the transition ceremonies. We and others in the international community have expressed our hope these demonstrations will be peaceful and that the Hong Kong police will exercise restraint in monitoring the demonstrations.

The view of many in Hong Kong is that the likelihood of violent demonstrations is low and that the intent of the demonstrators is to signal to all that Hong Kong people will stand up to preserve their political and civil liberties. We share these concerns, and strongly believe that the people of Hong Kong should be permitted to express their views freely.

CHINA
June 27, 1997

Q: Any reaction to the recent TIME story regarding Chinese missile assistance to Pakistan?

A: We're extremely concerned by reports of Chinese missile assistance to Pakistan, which may be inconsistent with China's 1994 commitment to abide by the Missile Technology Control Regime.

We continue to raise our concerns with China.

If we determine that a violation has occurred under U.S. law, we will make the appropriate sanctions determination.

Q: What is your view of the AFL-CIO report on China's military exports to the United States?

A: We continue to study the report and compare it to other available information.

These military enterprises represent only a small percentage of China's overall exports to the United States, however. The large majority of China's exports are produced by non-military enterprises, many of which are affiliated with foreign corporations.

We have legislation that prohibits Chinese military enterprises from exporting various kinds of weapons to the United States, and we enforce that law vigorously. In 1994, the Clinton Administration also imposed an embargo on Chinese sale of "sport" weapons to the United States.

In a more general sense, however, PLA enterprises are not violating U.S. law by exporting to the U.S. Most of the products identified in the AFL-CIO report are consumer items of the sort produced for export by many of China's enterprises, state-owned owned and otherwise. These products are indistinguishable from the exports of non-military enterprises, consisting of a broad range of products from foods to textiles to camping equipment.

We have considered broader restrictions on the exports of Chinese military entities, but have found them impractical. Efforts to single out military enterprises for exclusion from the U.S. market are extremely difficult and costly to enforce.

We are aware that the Chinese government does not favor military units engaging in commercial business, as it leads to corruption and detracts attention from routine military responsibilities. It has been not been able to control these activities, however. One Hong Kong-based researcher recently estimated that only a small percentage of the total profits of military enterprises actually went into central military budget funding. The charge that

these exports fund China's development of advanced weapons that will ultimately threaten the United States is therefore open to question.

We intend our military-to-military engagement to bring about, among other benefits, more transparency in reporting about China's military budget and commercial activities. Efforts to curtail these by cutting exports would only drive the activities further underground and make them harder to document.

U.S. High Performance Computers/China

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

A: We require companies to keep specific records of all high performance computer shipments, which we are reviewing. If problems are identified with any of these shipments, we have the legal and administrative means to address them and I can assure you we will use that authority.

China-Iran Missile Sales

Q: Secretary Albright has confirmed that China has sold C-802 anti-shiping missiles to Iran. Why hasn't the administration imposed sanctions against China under the Iran-Iraq Arms Nonproliferation Act of 1992 (aka the Gore-McCain Act)?

A: We take these arms transfers very seriously because they pose a direct threat to our interests and allies in the region. We have raised our concerns with China on numerous occasions.

The law requires economic sanctions against countries that provide "destabilizing numbers and types of advanced conventional weapons" to Iran. At this point, we have not concluded that the C-802 missiles provided to Iran from China meet the standard of "destabilizing." We will continue to review the situation to determine whether the requirements of the law have been met.

NATO
June 27, 1997

STATEMENT BY THE PRESS SECRETARY

President Clinton to Visit Poland, Romania and Denmark

President Clinton will travel to the Republic of Poland, Romania and the Kingdom of Denmark immediately following the NATO Summit in Madrid, at the invitation of the Presidents of Poland and Romania and Her Majesty the Queen of Denmark.

These visits, like the Madrid Summit, are part of the President's efforts to help build an undivided, democratic and secure Europe in the next century. This will be the President's first trip to Romania -- and the first visit by a U.S. President in over twenty years -- and his second trip to Poland. It will be the first visit to Denmark by a sitting U.S. President and an opportunity to highlight this NATO ally's important role in contributing to European security and stability, including in the Baltic/Nordic region.

###

Q: Did the Administration ask Moscow's permission for the President to travel to Warsaw?

A: No.

We informed our key allies and important partners, including Russia, of our plans. This is both prudent and courteous.

It would not occur to us to ask Moscow's "permission" for the President to visit another country.

NATO ENLARGEMENT

Q: Any response to recent critics of enlargement?

A: We welcome a vigorous debate about NATO enlargement and are confident that our reasons for supporting enlargement will prevail.

-- **We have long considered the arguments repeated in the open letter to the President issued by a group of foreign policy experts, led by Susan Eisenhower.**

-- **(If pushed) NATO enlargement does not block good relations between NATO and Russia, as demonstrated by the new NATO-Russia partnership outlined in the recently concluded Founding Act.**

-- **(If pushed) NATO enlargement does not strengthen the hand of Russian communists and nationalists, as demonstrated by the growing strength of reformers in President Yeltsin's government. Russians do not care much about NATO enlargement either way, as demonstrated by the tiny turnout at the anti-NATO demonstrations in Russia last May 9.**

-- **(If pushed) The likely new NATO new members -- Poland, Hungary, the Czech Republic -- are strong democracies without significant minority problems or unresolved border issues. They have proven themselves willing to take on the responsibilities of NATO membership.**

Q: Why the big push for NATO enlargement if the citizens of the potential new members are ambivalent, as the Washington Post reported?

A: In Poland, by far the largest country in the region, 90 percent support NATO membership. Polish support has remained consistently high for years and has tended to grow as knowledge of NATO increases.

In Hungary, the latest (Gallup) poll shows that 61 percent support NATO membership. We don't know why the Post didn't note this latest, significant information. Support in Hungary is growing as awareness of NATO's implications deepens.

In the Czech Republic, a clear plurality supports NATO membership, though support there is less than in the other two countries. We believe, as do Czech leaders, that support for NATO will grow as the debate progresses.

Q: Some Allies have reacted very negatively to your decision on NATO enlargement. Do you think you will have trouble convincing them of your decision and reaching consensus?

A: 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. I am sure that by the time of Madrid we will have a consensus on 3.

Q: How do you answer critics who say Romania and Slovenia should be included too?

A: 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. Impressed with the efforts of Slovenia and Romania, want to keep the process going so that they too will be in a position to join. 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.. 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.

Q: But why not Slovenia/Romania?

A: They have made good progress, and we look to them to consolidate these gains.

Spolar Article

Q: Any response to Spolar's article?

A: We have looked carefully at the Polish military as well as the other CEE countries that want to join NATO.

We have found that while the Polish military must take additional steps to meet NATO standards, it is well-disciplined, highly motivated and its equipment generally well maintained. Its army is capable of mounting an effective defense against a range of threats.

We look forward to discussing these issues in detail, including with the Congress, as the process of NATO enlargement proceeds.

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.

Current

If asked about Russian MFA complaints about U.S. aerial survey in Kazakstan

- Have fully briefed Russian government on scientific nature of aerial survey; offered to have Russians see aircraft, in interests of transparency, to make clear this project not military activity nor in any way directed against Russia.

Russian Duma passes restrictive new law on religion

- Understand new law on religion passed by Duma; now goes to Federation Council (upper house of parliament). In all contacts with Russians, we will reiterate our conviction that guarantee of freedom of religion essential to democratizing society..
- In Denver bilateral with Yeltsin, President expressed our concern about implications of new law, stressed our view that freedom of religion should not be restricted; Yeltsin indicated he would look into issue.

Russia reaches agreement to join Paris Club

- At Helsinki, Presidents Clinton and Yeltsin set goal for Russia membership in Paris Club in 1997. Russia to become member when Paris Club approves agreement at its next meeting, probably within month.
- Russia will join world's creditor nations to coordinate debt relief to developing countries committed to reform; fitting that agreement reached on eve of Summit of the Eight at Denver.
- Inappropriate to disclose specifics, but Russia agreed to adjust its claims as basis for entry and will then offer countries same rescheduling or reduction terms as current Paris Club members.
- Russia's claims on developing countries will be adjusted to take into account difficulty of including Soviet era claims; relief Paris Club creditors have already provided; debtor countries' poverty levels; and special circumstances where Soviet Union was predominant military creditor. Russia will take special measures to forgive military debt.

Yeltsin decides not to attend NATO Summit

- As President told Yeltsin last month in Paris, we would welcome his participation in first meeting of EAPC -- EuroAtlantic Partnership Council -- to held July 9; believe his presence would underscore Russia's important role in European security.
- President reaffirmed at Denver that decision was Yeltsin's to make -- and that U.S. would respect whatever decision Yeltsin reached.

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.

Prospects for START II Ratification by Russian Duma

- Believe Yeltsin committed to START II ratification by Duma -- without conditions -- he reiterated that to President Clinton at Denver.
- 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.

Leahy Legislation

Q: Senator Leahy has announced that he is introducing legislation further curbing U.S. use of anti-personnel landmines. What is the Administration'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.

Q: How significant is the decision yesterday at the Conference on Disarmament?

On June 26 in Geneva the 61 nations of the Conference on Disarmament agreed to set up a special coordinator on anti-personnel landmines. Ambassador Campbell of Australia will serve in this role.

The special coordinator will act as a facilitator to develop a mandate for next steps in negotiations on anti-personnel landmines.

This agreement is an important step forward toward the establishment of negotiations on anti-personnel landmines in the CD.

We look forward to early progress in the next CD session beginning on July 28.

Q: What is your position on the Canadian-led "Ottawa Process"?

A: We welcome the Ottawa Process as providing important momentum toward the common goal of a ban on anti-personnel landmines.

During the visit here of Prime Minister Chretien, this issue was discussed. We and the Canadians agreed to meet to see if we could "narrow our differences."

Pursuant to this agreement, experts met in Ottawa in mid-June. These meetings were a good first step.

A U.S. delegation was present as observers at this week's "Ottawa Process" conference in Brussels. Negotiations on the Ottawa Process treaty text will begin in Oslo in September.

Between now and September we will continue our close consultations with the Canadians and others.

No decision has been made on whether we will participate in the Oslo meeting.

DPRK Visit to Cooperative Monitoring Center in Albuquerque

Q: Why were North Koreans taken to the Cooperative Monitoring Center?

A: The North Koreans were taken to the Cooperative Monitoring Center to provide them a broader exposure to the role that arms control treaties have played in conflict resolution. As the U.S. and other countries begin a process of negotiation to reach agreements with North Korea, it will be helpful if the North Koreans understand that treaties have verification requirements which both sides have to accept. One approach is to demonstrate how arms control treaties have been negotiated and verified in other regions such as the Middle East or Europe.

Q: Could the North Koreans have gained access to classified materials?

A: No, the Cooperative Monitoring Center is an unclassified facility which is not located within Sandia laboratory of Kirtland Air Force Base. The CMC was set up specifically to train and assist foreign countries in reaching arms control settlements. In addition, the agenda for the meeting was carefully worked out after the inter-agency review by officials of the State Department, Defense Department, ACDA, and the Department of Energy.

Q: What other countries have visited the Cooperative Monitoring Center?

A: Delegations from many other countries have visited the CMC including Israel, Egypt, Jordan, India, Pakistan, Russia, China, Japan, and South Korea.

Q: What is the Cooperative Monitoring Center?

A: The Cooperative Monitoring Center was set up to facilitate the use of arms control as a way of settling regional disputes. After thirty years of experience with arms control negotiations and verification, the U.S. has experience and technical expertise that can be helpful to other states in resolving their international disputes without war. In many of these disputes, the U.S. itself is not a party, but acts as a mediator or facilitator as in the Middle East Peace Process. The CMC is a facility which can provide training and familiarity with the process of arms control negotiation, verification, and the use of technology to facilitate cooperative verification.

U.S./ROK/DPRK Talks

Q: Is there truth to reports that the U.S., South Korea and North Korea will announce four party talks next week in New York?

A: Working level discussions regarding the four party talks continue. There will be a trilateral meeting in New York next Monday. It would not be appropriate to speculate on what agreements might be reached at that meeting.

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.

Q: Any information regarding food aid to North Korea?

A: The U.N. World Food Program is announcing a plan to send 130,000 metric tons of food targetted at helping children. The United States has responded to these programs in the past, and we expect to in the future.

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

- **Australian Prime Minister John Howard to meet with President Clinton at the White House on June 27.**
- **POTUS will travel to Denmark, Poland and Romania 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.

GULF WAR ILLNESSES

June 24, 1997

Q: 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?

A: Will not be satisfied until we have all the answers possible, all the facts available. If evaluation of the GAO report -- not yet released -- indicates that any shift in emphasis or additional research needed, these decisions will be taken.

We welcome the GAO's contribution to the other efforts currently underway to increase our understanding of Gulf War veterans' illnesses and provide them with the most effective care and treatment possible.

We plan on carefully reviewing the report and getting the reactions of the Presidential Advisory Committee and the agencies concerned. Any new findings and recommendations will be carefully considered for incorporation into the ongoing research and medical care programs.

I think it is important to note that the PAC has played a critical role in initiating and overseeing this process, and that many of the efforts currently underway were a direct response to PAC recommendations.

From the day I took office I have been committed doing the right thing to help our veterans. I view the GAO report in the same spirit: as another opportunity to shed light on the best possible program to help our veterans. My hope is that this new report will be helpful to further improve our ability to help the veterans who served their country in the Persian Gulf.

Q: Recent developments suggest that GAO, DOD and the PAC have significant differences of opinion on the causes of Gulf War illnesses. What does this mean to veterans?

A: First and foremost, I support all efforts -- by the agencies involved, by the PAC, and by Congress -- that may contribute to improving current programs for our Gulf War veterans.

In terms of any differences of opinion at this stage, remember that Gulf War illness causation issues are numerous and complex, and the research available to date is limited -- which is why the ongoing government research program encompasses more than 106 projects.

Finally, once, the agencies and the PAC are in a position to comment more specifically on its conclusions and recommendations, any new findings will be carefully factored in to the ongoing research and medical care programs.

Q: Rep. Bernie Sanders of Vermont released a letter signed by 86 members of the House calling for the Presidential Advisory Committee on Gulf War Illnesses to reassess its conclusion that the illnesses reported by Gulf War veterans were likely caused by war-related stress in the face of "clear" evidence that exposure to a wide variety of chemicals in the Persian Gulf may be a significant factor in Persian Gulf illness. Has this Congressional request undermined the PAC's ability to provide credible oversight to the government's efforts relating to Gulf War illnesses?

A: We appreciate Rep. Sanders' and Congress' interest in getting to the bottom of the difficult question of Gulf War illnesses. As you know, the President had consistently pledged to leave no stone unturned in helping affected veterans.

The Presidential Advisory Commission's conclusion that stress was a likely cause of illnesses reported by Gulf War veterans was based on a thorough review of the scientific literature available at the time, and was accompanied by a call for a substantial new research program looking into a number of other risk factors in addition to stress, including low-level exposure to chemical warfare agents, multiple chemical sensitivities, and infectious diseases, among others. Such a program -- encompassing over 106 projects between DoD, VA and HHS -- is now underway, and the PAC deserves a great deal of credit for providing its impetus.

As the new research and more thorough investigative efforts by the various agencies produce results, the PAC will continue to play a critical role as an independent guarantor that the overall program meets rigorous standards of scientific and clinical effectiveness.

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

A: 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 of the nearly 580,000 active duty military members who served in the Persian Gulf with those of a parallel group of 700,000 military personnel who were not deployed to the Gulf. The results should reassure all Persian Gulf veterans, whether or not they 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 health concerns in a thorough and credible manner remains in progress, and we look forward to communicating future results to Persian Gulf veterans as soon as they become available.

- Q. 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 my decision in JAN 97 to extend the PAC 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 my 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...

- Q. Is the PAC likely to be extended again given the many problems still remaining?

- A. The PAC has a critical role to play -- we are relying on their expertise and independent assessments to enhance program quality across the full spectrum of government programs.

Discussion of PAC extension would be premature at this juncture given the many initiatives still underway and length of time remaining in the initial extension (31 OCT 97).

- Q. What has the Administration done for Gulf War veterans who are sick?

- A. Overall, to date -- (1) DOD & VA toll-free help lines; (2) 80,000+ free medical exams; (3) care for all Gulf War veterans who are sick (whether or not a diagnosis has been possible); (4) 26,000+ compensation claims approved; (5) special legislation paying disability for Gulf veterans with undiagnosed illnesses, with an extension of the presumptive period for undiagnosed illness compensation forthcoming soon; (6) thousands of pages declassified; and (7) 90+ federally-sponsored research projects completed or underway.

DEMOCRATIC REPUBLIC OF THE CONGO (EX-ZAIRE)

June 27, 1997

Q: Why was opposition leader Tshisekedi detained?

A: The Government of the Democratic Republic of the Congo has still not offered any concrete explanation for this action.

The UDPS opposition leader was taken from his compound by government soldiers at about 8 p.m. last night. This came after he addressed a gathering at the University of Kinshasa. We have one report that he was cautioned by the government to refrain from confrontational political activity, and another that he was being taken to a meeting with President Kabila.

Tshisekedi was released safely later the same night and returned home.

We are concerned by the government's actions and are asking them to explain why they took these steps.

Q: What does this say about Kabila's steps toward democracy and what does the U.S. think about restrictions Kabila has placed on political activity?

A: The record continues to be mixed.

We are encouraged by the inclusion of non-ADFL members in the cabinet to governorships. We also welcomed president Kabila's commitment to elections in April 1999 and a specific election timetable.

Banning political party activity and public rallies and this latest development certainly appear negative.

Free political activity will be important as the DROC embarks on its democratic transition.

REPORTED HUMAN RIGHTS ABUSES

Q: What is the U.S. doing about reports of human rights abuses in Congo (ex-Zaire)?

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

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 underscored these points during their mission to the Congo earlier this month.

The U.S. Government has given a clear and consistent message that abuses must stop and that a UN investigative team due to arrive in Congo shortly 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. We welcome this pledge and expect President Kabila to honor this commitment.

REPUBLIC OF THE CONGO (BRAZZAVILLE)

June 26 1997

Q: Situation/fighting update? Cease-fire agreement?

A: The June 17th cease-fire is being violated regularly as sporadic gunfire and heavy weapons fire continues throughout the city.

Fighting yesterday was concentrated around Brazzaville International Airport. It is not clear at the moment who controls the airport.

We continue to urge both sides to the conflict to adhere to the earlier cease-fire declaration and commit fully to a negotiated settlement seeking a lasting, peaceful resolution.

Q: Do you have any reports on the French Ambassador being attacked yesterday?

A: We are deeply concerned by reports that French Ambassador Raymond Cesaire (say-zair) and his security guards were assaulted by members of the presidential guard upon leaving a meeting with President Lissouba at the presidential palace yesterday.

The Ambassador is reportedly unharmed, but his bodyguard was reportedly hit on the head with a rifle butt and three shots were fired into the armored car of Cesaire's escorts.

Q: What is USG doing? Any ongoing mediation efforts?

US Ambassador Aubrey Hooks will travel to Paris shortly for consultations with the French government. He will then travel to Libreville, Gabon for consultations with President Omar Bongo who is leading regional mediation efforts.

Hashimoto Comment on U.S. Treasuries

[BACKGROUND : On June 23 Prime Minister Hashimoto, responding to questions following a speech at Colombia University, stated his hope that the U.S. will engage in efforts to maintain foreign exchange stability so Japan does not have to succumb to the temptation to sell of U.S. Treasury bills. The Dow dropped 192 points, attributed by observers in part to the Prime Minister's comments.]

Q: What is the White House reaction to comments made by Prime Minister Hashimoto regarding the temptation to sell off U.S. Treasury bills, and the markets' reaction?

A: The Japanese issued a statement last night and we will leave comments to them.

Q: What do you think of the clarification issued by the Government of Japan stating that the Prime Minister regrets that his intention was not accurately conveyed, that his intention is to maintain the consistent policy of the Japanese Government bearing in mind the good relations between Japan and the U.S., and that Japanese authorities will continue to cooperate with the U.S. with a view to maintaining stable foreign exchange rates.

A: We support good relations between our nations, and we do not comment on exchange rates.

DENVER SUMMIT

June 24, 1997

Q: What does this summit mean for the average American?

A: This Summit, perhaps more than any other I've attended, has more meaning for the lives of the American people.

We have given important impetus to common action against challenges we all face.

For example, to fight the common security challenges of international terrorism, drug trafficking, weapons proliferation and crime, we agreed to:

Better share information to detect and stem the use of materials of mass destruction in terrorist attacks.

Better protect electronic and computer infrastructures against illegal attack.

Increase cooperation to fight cyber-crime.

Advance information sharing on drug money laundering, chemical precursors, drug traffic patterns.

Bolster security of nuclear materials – greatly facilitated with Russia as partner.

Develop a new international early warning system to detect the outbreak of infectious disease and help prevent their spread by getting the right medicines where needed as fast as possible.

To prevent financial crises, we agreed to:

Global network of banking and market officials to monitor financial policies, police risky practices before they become crises.

Work with developing countries toward sound financial practices for smoother markets and increased trade and investment.