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Daily Press Guidance

Tuesday
July 1, 1997

(For internal use only.)

Press Guidance
Tuesday, July 1, 1997

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2. Proposed Revenue Raisers
3. Federal Reserve Appointments
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Press Guidance
July 1, 1997

Handgun Instant Checks

In the wake of the Supreme Court decision on the Brady Law, the Administration has been criticized for foot-dragging on the instant handgun check system, scheduled to go into effect in November of 1998. Other accounts have acknowledged that the system will likely be in place at the scheduled time, but will not include accurate state information.

- We expect the system to be operational by 1998. We must also make sure that states' histories are as accurate as possible and the Department of Justice is working with states toward that end.
- In 1992, when the first complete survey was released, 18% of the records were accessible and complete (less than one out of five). In 1995, the last complete survey, we were up to 33%.
- We have fought for money in the budget to help states develop better systems. The money, some of which was appropriated, is only beginning to take hold and we expect important and visible increases by the next study.
- This system has uses well beyond the handgun issue. It will help judges with sentencing, police with arrests (they will be able to check whether someone they are about to arrest has a record of violence) and prosecutors with charges.

Following the Supreme Court decision, the Ohio AG declared they will do no background checks. Is the Administration concerned that these checks will come to a halt?

We certainly our hope and expect that state and local officials will continue to voluntarily comply.
(For briefer only - DOJ is working with Ohio on this issue)

Why not turn on system check as soon as possible?

We would rather have more time to deal with some of the inaccuracies in the system. Five days allows for a more time to double check any inaccuracies or inconsistencies.

Mellody per Jose Cerda

PROPOSED REVENUE RAISERS (in millions of dollars)	1997-2002	1997-2007
Constructive sales treatment for appreciated financial products	708	1,199
Disallowance of interest on indebtedness allocable to tax-exempt obligations	114	373
Gains and losses from certain terminations with respect to property (extinguishment doctrine)	117	242
Determination of original issue discount where pooled debt obligations subject to acceleration	1,311	1,857
Tax treatment of certain extraordinary dividends	(75)	352
Recognition of gain in certain section 355 transactions	1,459	1,848
Tax treatment of redemption involving related corporations	35	60
Modify holding period for dividends-received deduction	51	136
Registration and other provisions relating to confidential corporate tax shelters	170	392
Certain preferred stock treated as "boot"	195	249
Reporting of certain payments made to attorneys	12	31
Decrease of threshold for reporting payments to corporations performing services for Federal agencies	34	93
Extend FUTA surtax and increase the statutory limit on the FUA Trust Fund from .25% of covered wages to .50%	6,376	6,736
Disclosure of return information for administration of certain Veterans' programs	116	304
Modify levy exemption and provide continuous levy on certain payments	1,271	1,732
Consistency requirement for returns of beneficiaries of estates and trusts	15	34
Extend airport and airway trust fund excise taxes	29,655	69,297
Repeal LUST excise tax and extend	646	1,342
Flat excise tax on vaccines; allow new vaccines to be automatically covered	3	8
Modify control test and include attribution rules to determine UBIT consequences of certain payments from subsidiaries of tax-exempt organizations (not in Adm budget)	41	62
Repeal 1986 Act grandfather rule for Mutual of America	32	78
Termination of suspense accounts for family farm corporations required to use accrual method of accounting	170	377
1-year carryback and 20-year carryforward for net operating losses (S-special rule for disaster areas)	3,518	5,194
Modification of treatment of company-owned life insurance - pro rata disallowance of interest on debt to fund life insurance	499	2,240
Repeal 14-day rule on rental of vacation properties	123	274
Expansion of requirement that involuntarily converted property be replaced with property acquired from an unrelated person	30	115
Repeal installment sales grandfather rules of 1986 Act	353	507
Inclusion of income from notional principal contracts and stock lending transactions under Subpart F	92	202
Further restrict like-kind exchanges involving foreign personal property	51	156
Impose holding period requirement for claiming foreign tax credits with respect to dividends	230	552
Limitation on treaty benefits for payments to hybrid entities	0	0
Treatment of income from certain sales of inventory as U.S. source income	37	105
Modify foreign tax credit carryover rules	1,925	3,391
Replace truck excise tax deduction for tire value with tax credit for excise tax paid on tires	452	978
Limitation on Charitable Remainder Trust annual payouts	5	10
TOTALS	99,771	100,526

GUIDANCE ON THE FEDERAL RESERVE
JULY 1, 1997

- * The White House has not announced our nominees for the Federal Reserve Board vacancies.
 - * However, a number of news stories have appeared, with background confirmation from Administration officials, naming two individuals the President is expected to nominate (they are).
 - * We have no quarrel with those stories, but we are not quite prepared to send any names up to the Hill. As you know, the vetting process takes quite a while these days, but our understanding is that the process is just about complete and we should be sending formal nominations up to the Hill soon.
-

(FYI, Gene doesn't want this to go until something happens, which we can discuss.)

TOIV
Thomasson, NEC

U.S. Sentencing Commission Report on Crack Cocaine
June 30, 1997

Questions and Answers

- Q. Weren't the Attorney General and ONDCP Director scheduled to make recommendations to the President today on the U.S. Sentencing Commission's recommendations on crack cocaine penalties?**
- A.** When the Commission's report was released (April 29th), the President directed the Attorney General and ONDCP Director to take a comprehensive review of the Sentencing Commission's recommendations and report back to him within 60 days -- or by yesterday. My understanding is that the Justice Department and ONDCP are finalizing their recommendations, and that we expect to receive them within the next couple of days.
- Q. What did the U.S. Sentencing Commission's report recommend?**
- A.** The U.S. Sentencing Commission transmitted a report to Congress and the Administration on April 29th that recommended legislation to reduce the disparity between sentences for crack cocaine and powder cocaine.

Specifically, the Sentencing Commission recommended that the triggering amount for the 5-year mandatory minimum sentence for cocaine be changed from 5 grams to somewhere between 25 and 75 grams for crack violations and from 500 grams to between 125 and 375 grams for powder cocaine. In other words, they recommend a "pinch" -- reduce crack cocaine penalties a little and increase powder cocaine penalties a little to narrow the sentencing disparity. This is only a recommendation to amend federal law, and Congress is not required to act on it.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release
July 1, 1997

Contact: 202-456-7150
202-456-7035

PRESIDENT CLINTON AND VICE PRESIDENT GORE ANNOUNCE ACTIONS TO PROMOTE ELECTRONIC COMMERCE AROUND THE WORLD

President Clinton, joined by Vice President Gore at the White House, today (7/1) announced several actions to advance electronic commerce around the world and released a report that outlines a strategy to ensure a market-oriented approach toward commerce on the Internet. 4

Further, the President asked the Vice President to oversee the implementation of the actions announced today.

"Electronic commerce can serve as an engine leading businesses and consumers into the 21st Century, creating jobs across America and increasing U.S. exports around the world. We hope to harness its full potential for increasing productivity and growing the economy, bringing prosperity to the American people and individuals worldwide," said President Clinton.

"The Internet offers a path that will permit consumers, workers and entrepreneurs to develop the full potential of global electronic commerce," Vice President Gore said. "We need to ensure that unnecessary government intervention doesn't slow down the growth of this marketplace. As in the early days of the Internet, achieving this potential requires business and government to discover new and innovative ways to work together here in America and throughout the world."

During the announcement in the East Wing, the President and Vice President released a far-reaching report prepared by the Administration which outlines a market-oriented approach toward electronic commerce. Recommendations in the report, "A Framework for Global Electronic Commerce," pave the way for tens of billions of dollars in commerce on the Internet. In 1995, sales on the Internet in the U.S. were \$200 million.

--CONTINUED--

In addition to releasing the report, the President:

- ◆ Directed Treasury Secretary Rubin, Commerce Secretary Daley and Trade Representative Barshefsky to oppose any new taxes on electronic commerce, to turn the Internet into a free-trade zone by eliminating tariffs and non-tariff barriers, to establish basic consumer and copyright protections for global electronic commerce, and to establish a predictable legal environment for electronic commerce. The President asked that these actions be taken within the next 12 months.
- ◆ Challenged the private sector to develop effective methods of protecting the privacy of every American, especially children who use the Internet. In the wake of the Supreme Court decision on the Communications Decency Act, he also asked industry to join with the Administration in protecting children from access to inappropriate material.
- ◆ Directed all federal department and agency heads to ensure that their policies affecting global electronic commerce are consistent with the market-oriented principles contained in "A Framework for Global Electronic Commerce."

Others who joined the President and Vice President were Lou Gerstner, Chairman and CEO of IBM, and Macdara MacColl, Managing Director of Parent Soup, an online service for families. The audience included chief executive officers from a range of industries, including small business entrepreneurs conducting commerce across the superhighway and Internet pioneers, Bob Kahn of the Corporation for National Research Initiatives, Vint Cerf of MCI, Tim Berners-Lee of the World Wide Web Consortium, and David Duke, Corning.

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A FRAMEWORK FOR GLOBAL ELECTRONIC COMMERCE EXECUTIVE SUMMARY

The Internet has the potential to become the United States' most active trade vehicle within a decade, creating millions of high paying jobs. In addition, Internet shopping may revolutionize retailing by allowing consumers to sit in their homes and buy a wide variety of products and services from all over the world.

Many businesses and consumers are wary of conducting extensive business electronically, however, because the Internet lacks a predictable legal environment governing transactions and because they are concerned that governments will impose regulations and taxes that will stifle Internet commerce.

A FRAMEWORK FOR GLOBAL ELECTRONIC COMMERCE outlines the Administration's strategy for fostering increased business and consumer confidence in the use of electronic networks for commerce. The paper reflects widespread consultation with industry, consumers groups, and the Internet community.

The paper presents five principles to guide government support for the evolution of electronic commerce and makes recommendations about nine key areas where international efforts are needed to preserve the Internet as a non-regulatory medium, one in which competition and consumer choice will shape the marketplace. With respect to these areas, the paper designates lead U.S. government agencies and recommends international fora for consideration of each issue.

PRINCIPLES

- 1. The private sector should lead.** The Internet should develop as a market driven arena not a regulated industry. Even where collective action is necessary, governments should encourage industry self-regulation and private sector leadership where possible.
- 2. Governments should avoid undue restrictions on electronic commerce.** In general, parties should be able to enter into legitimate agreements to buy and sell products and services across the Internet with minimal government involvement or intervention. Governments should refrain from imposing new and unnecessary regulations, bureaucratic procedures or new taxes and tariffs on commercial activities that take place via the Internet.
- 3. Where governmental involvement is needed, its aim should be to support and enforce a predictable, minimalist, consistent and simple legal environment for commerce.** Where government intervention is necessary, its role should be to ensure competition, protect intellectual property and privacy, prevent fraud, foster transparency, and facilitate dispute resolution, not to regulate.

4. **Governments should recognize the unique qualities of the Internet.** The genius and explosive success of the Internet can be attributed in part to its decentralized nature and to its tradition of bottom-up governance. Accordingly, the regulatory frameworks established over the past 60 years for telecommunication, radio and television may not fit the Internet. Existing laws and regulations that may hinder electronic commerce should be reviewed and revised or eliminated to reflect the needs of the new electronic age.

5. **Electronic commerce on the Internet should be facilitated on a global basis.** The Internet is a global marketplace. The legal framework supporting commercial transactions should be consistent and predictable regardless of the jurisdiction in which a particular buyer and seller reside.

RECOMMENDATIONS

The principles described above guide the following recommendations:

1. **Tariffs and Taxation.** The Internet should be declared a tariff-free environment whenever it used to deliver products and services. The Internet is a truly global medium, and all nations will benefit from barrier-free trade across it.

No
tariffs

No new taxes should be imposed on Internet commerce. Existing taxes that are applied to electronic commerce should be consistent across national and subnational jurisdictions and should be simple to understand and administer. State and local governments should cooperate to develop a uniform, simple approach to the taxation of electronic commerce, based on existing principles of taxation.

No new
taxes

ⓧ

2. **Electronic Payment Systems.** The commercial and technological environment for electronic payments is changing rapidly, making it difficult to develop policy that is both timely and appropriate. For these reasons, inflexible and highly prescriptive regulations and rules are inappropriate and potentially harmful. In the near-term, case-by-case monitoring of electronic payment experiments is preferable to regulation.

3. **Uniform Commercial Code for Electronic Commerce.** In general, parties should be able to do business with each other on the Internet under the terms and conditions they agree upon. Private enterprise and free markets have typically flourished, however, where there are predictable and widely accepted legal principles supporting commercial transactions.

The U.S. supports the development of an international uniform commercial code to facilitate electronic commerce. Such a code should encourage governmental recognition of electronic contracts; encourage consistent international rules for acceptance of electronic signatures and other authentication procedures; promote the development of alternative dispute

resolution mechanisms for international commercial transactions; set predictable ground rules for exposure to liability; and streamline the use of electronic registries.

4. **Intellectual Property Protection.** Commerce on the Internet will often involve the sale and licensing of intellectual property. To promote electronic commerce, sellers must know that their intellectual property will not be stolen and buyers must know that they are obtaining authentic products. Clear and effective copyright, patent, and trademark protection is therefore necessary to protect against piracy and fraud.

The recently negotiated World Intellectual Property Organization (WIPO) treaties for copyright protection should be ratified. Issues of liability for infringement, application of the fair use doctrine, and limitation of devices to defeat copyright protection mechanisms should be resolved in a balanced way, consistent with international obligations.

The government will study and seek public comment on the need to protect database elements that do not qualify for copyright protection and, if such protection is needed, how to construct it.

The Administration will promote global efforts to provide adequate and effective protection for patentable subject matter important to the development of the Global Information Infrastructure (GII), and establish standards for determining the validity of patent claims.

The Administration also will work globally to resolve conflicts that arise from different national treatments of trademarks as they relate to the Internet. It may be possible to create a contractually based self-regulatory regime that deals with potential conflicts between domain name usage and trademark laws on a global basis.

The Administration will review the system of allocating domain names in order to create a more competitive, market based system and will seek to foster bottom-up governance of the Internet in the process.

5. **Privacy.** It is essential to assure personal privacy in the networked environment if people are to feel comfortable doing business across this new medium.

Data gatherers should tell consumers what information they are collecting and how they intend to use it. Consumers should have meaningful choice with respect to the use and re-use of their personal information. Parents should be able to choose whether or not personal information is collected from their children. In addition, redress should be available to consumers who are harmed by improper use or disclosure of personal information or if decisions are based on inaccurate, outdated, incomplete or irrelevant personal information.

The Administration supports private sector efforts now underway to implement meaningful, user friendly, self-regulatory privacy regimes. These include mechanisms for

facilitating awareness and the exercise of choice online, private sector adoption of and adherence to fair information practices, and dispute resolution. The government will work with industry and privacy advocates to develop appropriate solutions to privacy concerns that may not be fully addressed by industry through self-regulation and technology. *

6. **Security.** The GII must be secure and reliable. If Internet users do not believe that their communications and data are safe from interception and modification, they are unlikely to use the Internet on a routine basis for commerce. The Administration, in partnership with industry, is taking steps to promote the development of a market driven public key infrastructure that will enable trust in encryption and provide the safeguards that users and society will need.

7. **Telecommunications Infrastructure and Information Technology.** Global electronic commerce depends upon a modern, seamless, global telecommunications network and upon the "information appliances" that connect to it. In too many countries, telecommunications policies are hindering the development of advanced digital networks. The United States will work internationally to remove barriers to competition, customer choice, lower prices, and improved services.

8. **Content.** The Administration encourages industry self-regulation, the adoption of competitive content rating systems, and the development of effective, user-friendly technology tools (e.g. filtering and blocking technologies) to empower parents, teachers, and others to block content that is inappropriate for children.

The government will seek agreements with our trading partners to eliminate overly burdensome content regulations that create non-tariff trade barriers.

9. **Technical Standards.** The marketplace, not governments, should determine technical standards and other mechanisms for interoperability on the Internet. Technology is moving rapidly and governments attempts to establish technical standards to govern the Internet would only risk inhibiting technological innovation.

COORDINATION

The Administration will continue to coordinate its approach to electronic commerce. The interagency team that developed this framework and strategy will continue to meet to update the strategy and facilitate its implementation as events unfold.

President's Memorandum for Department and Agency Heads

Background

The President today issued a memorandum for the heads of all Executive Branch departments and Agencies directing them to implement the strategy outlined in A FRAMEWORK FOR GLOBAL ELECTRONIC COMMERCE.

The memorandum first instructs Executive Branch officials to apply the Framework's basic principles to any actions they take with respect to electronic commerce. These principles call for the Internet to function as a market-driven environment with minimal government regulation, and for the Internet to be governed by a consistent set of rules across state, national and international borders.

The memorandum then lists 13 specific objectives and designates appropriate Executive Branch officers to head government efforts to achieve these objectives. In several cases, the memorandum directs Executive Branch officers to achieve specific objectives within the next 12 months.

1. The memorandum directs the US Trade Representative to secure international agreement within the next 12 months to reduce tariffs on Internet related equipment to zero and to ensure that products and services delivered across the Internet are not subject to tariff.
2. The memorandum directs the Secretary of Commerce to seek domestic and international agreement within the next 12 months on common approaches for the authentication of electronic transactions through technologies such as digital signatures.
3. The memorandum directs the Secretary of Commerce and the Director of the Office of Management and Budget to encourage private sector development and deployment within the next twelve months, of effective, industry-developed codes of conduct and technology tools to protect privacy online, especially with respect to children.
4. The memorandum directs the Secretary of Commerce to encourage the development of user-friendly filtering technologies and private rating systems within the next twelve months that empower parents, teachers, and other Internet users to block content that they deem inappropriate for their children.
5. The memorandum directs the Secretary of the Treasury to work with domestic and foreign government officials to assure that no new taxes are imposed on Internet commerce and that existing taxes are applied in ways which do not hinder nor distort commerce.

6. The memorandum directs the Administrator of the General Services Administration to bring federal government purchasing into the electronic age by arranging for federal purchasing of four million items online within the next twelve months.

The memorandum establishes an interagency group under the leadership of the Vice-President to coordinate implementation of the government's strategy for electronic commerce. It directs agency heads to report to him through the interagency group every six months on progress toward meeting all of the specific objectives outlined in the memorandum.

July 1, 1997

ELECTRONIC COMMERCE INITIATIVE

97 JUN 30 249:32

Date: July 1, 1997
Location: East Room White House
Time: 2:30 pm.
From: Ira C. Magaziner
Don Gips

I. PURPOSE

To release the administration's strategy for electronic commerce. To issue a directive to Federal Departments and agencies to implement the strategy.

II. 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. In addition, shopping on the Internet has the potential to revolutionize retailing as consumers can sit in their homes and purchase goods from manufacturers and retailers all over the world.

Many businesses and consumers have been wary of conducting extensive business electronically, however, due to the lack of a predictable legal environment governing transactions and because of fears that governments will impose regulations and taxes which will stifle Internet commerce.

In March of 1996, representatives of 18 agencies of the U.S. government began meeting to develop a strategy for electronic commerce. The group consulted widely with industry, consumer groups and leaders of the Internet community. In December of 1996, the group issued a draft paper which was posted on the Internet. Over four hundred comments were received. The vast majority were positive. Even where groups disagreed with sections of the paper (our encryption policy for example), they praised its overall thrust.

In response to our paper, the European Union and MITI have issued papers which are in many respects congruent with our draft. The EU and a number of individual governments have expressed an interest in beginning discussions with us to agree on a common framework. A large number of US and foreign companies have expressed an interest in working for the adoption of the approach taken in our paper that you will be releasing.

The paper presents a series of non regulatory, market oriented principles which acknowledge the unique characteristics of the Internet. It identifies nine issues which should be addressed for electronic commerce to flourish and makes proposals for how to proceed on each of these issues. The paper covers taxation and duties, electronic payment systems, uniform commercial code, intellectual property protection (copyright, patent, trademark and domain names), content restrictions, privacy protection, technical standards, elimination of non tariff barriers and security.

PARTICIPANTS

Pre Brief

The President
The Vice President
Ira C. Magaziner
Jim Kohlenberger
Ann Stock
Don Gips
Gene Sperling
Dan Tarullo

Event Participants

The President
The Vice President
Lou Gerstner, CEO of IBM
Macdara MacColl, Managing Director of Parent Soup, a new rapidly growing company with revenues of over two million dollars which markets on line to parents, mixing advice with advertisements and merchandise of interest to the participating parents.

Secretary Rubin or Deputy Secretary Summers
Secretary Daley
Ambassador Barshefsky
Administrator Barram
Commissioner Varney
Science Advisor Gibbons
OIRA Director Katzen

In addition to these officials, the audience will consist of about 65 company CEO's, four scientists who invented the technologies which created the internet, the heads of about forty Industry Associations, Consumer Groups and Internet groups, several members of Congress, seven Representatives of State and Local Governments, and about a dozen influential internet " gurus " (see attached list from social office).

IV. PRESS PLAN

The event will be open press, covered by the White House Press Corps, by technology, trade and economic reporters and by the Internet Press. A number of CEO's will speak to the press after the event.

V. SEQUENCE OF EVENTS

- * The Vice President will open and make brief remarks
- *The Vice President will introduce Lou Gerstner who will make brief remarks
- *The Vice President will introduce Macdara MacColl who will make brief remarks
- *The Vice President will introduce you
- * You will make brief remarks
- * Upon conclusion, there will be an opportunity for you to meet and greet the audience.

'97 JUN 30 PM 2:51

THE WHITE HOUSE
WASHINGTON

TO: THE PRESIDENT
THE VICE PRESIDENT

WHAT: ELECTRONIC COMMERCE EVENT

WHEN: TUESDAY, JULY 1, 1997

NOTES: APPROX. 170 GUESTS/OPEN PRESS/BUSINESS ATTIRE

FROM: ANN STOCK, SETTI WARREN

2:00 p.m. EV Gate opens

2:30 p.m. THE PRESIDENT and THE VICE PRESIDENT arrive to Red Room for briefing.

2:35 p.m. THE PRESIDENT and THE VICE PRESIDENT proceed to Blue Room to meet and greet the following speakers:

Louis Gerstner, Chairman & CEO, IBM
Macdara MacColl, Managing Director, Parent Soup

2:45 p.m. THE PRESIDENT and THE VICE PRESIDENT are announced from Blue Room with Mr. Gerstner and Ms. MacColl. They proceed via Cross Hall to East Room.

THE VICE PRESIDENT gives welcoming remarks and introduces Mr. Gerstner.

Mr. Gerstner gives brief remarks.

THE VICE PRESIDENT introduces Ms. MacColl.

Ms. MacColl gives brief remarks.

THE VICE PRESIDENT introduces THE PRESIDENT.

THE PRESIDENT gives brief remarks.

3:05 p.m. THE PRESIDENT and THE VICE PRESIDENT proceed to Blue Room for receiving line.

3:35 p.m. THE PRESIDENT and THE VICE PRESIDENT depart.

Internet Pioneers In Attendance:

Tim Berners-Lee - Director, World Wide Web Consortium; Inventor of the World Wide Web; Cambridge, MA.

Vint Cerf - Senior VP, Internet Architecture and Engineering, MCI Communications Corp.; Founding President, Internet Society; co-inventor of the computer-networking protocols that enabled the development of the internet; Reston, VA.

Robert Kahn - President, Corporation for National Research Initiatives; co-inventor of the computer-networking protocols that enabled the development of the internet; Reston, VA.

Esther Dyson - President, EDV Holdings; Member, President's National Information Infrastructure Advisory Council; Chair, Electronic Frontier Foundation; New York, NY.

David Duke - Corning; Head of research team at Corning that developed fiber optics; Corning, NY

7/1/97

Global Electronic Commerce and the Administration's Overall Technology Trade Agenda

The Global Electronic Commerce initiative is part of the Administration's trade agenda to open markets and accelerate technology trade and development in the global economy. Together with the Information Technology Agreement (ITA) and the global telecommunications agreement, over the past seven months we have reduced tariffs and eliminated trade barriers on more than a trillion dollars of products and services in one of the most important areas of trade today. For U.S. workers and companies this agenda has opened markets and leveled the international playing field in areas where we are the most competitive in the world.

The Information Technology Agreement (ITA) endorsed by APEC leaders last November and completed at the WTO in December, 1996 eliminates tariffs of the vast range of information technology products -- semiconductors, computers, telecommunications equipment, and software -- by the year 2000. The ITA represents a deregulation initiative for the cars and trucks that make the information superhighway the fastest-growing area of trade in the global economy. For U.S. workers and companies, this agreement amounts to a \$5 billion annual tax cut [because our tariff levels are so much lower than those in the rest of the world]. Among the forty-two countries that signed this agreement, the first round of tariff cuts go into effect today -- a 25% drop on tariffs -- and the next round is set for January 1, 1998.

The global telecommunications agreement will allow us to expand the reach of the information superhighway around the world with substantial benefits for U.S. workers and consumers. The agreement opens-up sixty-nine global markets (70 countries, including the U.S. signed the accord) for our telecommunications companies as never before to provide local, long distance, and international service through any means of network technology.

We expect the agreement will lead to the creation of approximately a million U.S. jobs in the next ten years -- not only in communications companies but also in high technology industries such as software, information services, and electronic publishing. This agreement will also save billions of dollars for American consumers. We (FCC) estimate that the average cost of international phone calls will drop by 80% -- from \$1 per minute on average to 20 cents per minute over the next several years.

We have pushed these agreements aggressively because technology provides the keys to development in the twenty-first century and we have brought these agreements forward at the very moment our industries are the most competitive in the world. The Internet initiative focuses on sustaining and expanding the entrepreneurial climate at home and abroad that has provided the incentives for growth and expansion of technology development worldwide.

E-Commerce Q&As

Q. What is the Administration's position on Internet taxation?

- At the international level -the Administration believes that the Internet should be a "duty-free zone." That means that products and services that are delivered over the Internet – such as software or other digital goods – should not pay any import duties. Also, we think that the equipment that is used to build the Internet should be duty free.
- At the state and local level, we think that taxation should be "technology neutral" and that there shouldn't be new taxes that target the Internet or electronic commerce.
- Also, we think that any approach to the taxation of electronic commerce and the Internet needs to be consistent. There are 30,000 different state and local tax jurisdictions in the U.S. –we could certainly slow down electronic commerce and the growth of the Internet without a uniform, simple approach.

Q. Does the Administration support the Cox-Wyden bill on Internet taxation?

- The Administration supports the "goals and objectives" of the legislation.
- We have been working with the Congress to ensure that the legislation does not undermine any of the existing tax base of state and local governments.

Is the President going to reverse his position on Internet decency as the New York Times reported earlier?

- Absolutely not. The President's fundamental goal is to protect children from getting access to inappropriate material, while at the same time protecting American values of freedom of speech and freedom of expression.
- Given that the Supreme Court has ruled that portions of the CDA are unconstitutional, the President is planning to convene industry executives and child advocacy groups to explore technological solutions. We want to ensure that parents and teachers have the tools they need to make the Internet safe for children, especially given the President's strong belief that the Internet is a powerful resource for learning.
- Furthermore, the provisions of the Communications Decency Act dealing with obscenity have not been challenged in the ACLU litigation. The Administration remains firmly committed to the provisions – both in the CDA as elsewhere in the criminal code -- that prohibit the transmission of obscenity and child pornography over the Internet and via other media, and that prohibit the use of the Internet to entice children to engage in sexual activities.

Q. When would this CDA meeting happen? Is it today?

- No, today's event will formally launch the administration's strategy for electronic commerce. This strategy deals with a variety of issues including making the Internet a tariff free zone, establishing predictable global rules for doing business on the Internet and protection of intellectual property.
- The meeting on making the Internet safe for kids will be later this month.

Q. Would the Administration support more narrowly tailored legislation that might pass constitutional muster?

- The President wants to have this meeting with industry leaders and child advocacy groups before making any decisions on new legislation.
- It will take Justice some time to review the legal intricacies of the case before deciding what further legal or legislative action might be required.

Q. With the Supreme Court's action, aren't the pornographers, pedophiles and stalkers free to roam the Internet?

- Absolutely not. The administration remains firmly committed to the provisions -- both in the CDA and elsewhere in the criminal code -- that prohibit the transmission of obscenity over the Internet and via other media. Similarly, we remain committed to vigorous enforcement of federal prohibitions against transmission of child pornography over the Internet, and another prohibition that makes criminal the use of the Internet by pedophiles to entice children to engage in sexual activities.

Q. The President has talked about a "v-chip" for the Internet. What is he talking about?

- He's not talking literally about a computer chip -- but its functional equivalent for the Internet.
- Industry is developing a variety of standards and software technologies that would allow parents to "block" web sites that they think are inappropriate. We want to work with industry to make sure that this software is effective, widely available and easy to use.

Q. Consumer Reports has indicated that this technology is not always effective, and the Justice Department made similar arguments during the trial. What's the Administration's view on this?

- That's one of the reasons the President wants to convene this meeting. We want to determine how effective these technologies are - and whether they can be improved and made more widely available.

- Obviously, there is no substitute for parental involvement in their children's use of this technology.

Q. Don't these companies have problems with your encryption policy?

- We support US industry maintaining its lead in global software products. We also take seriously our responsibility to assure the public safety. Our policy serves both of these objectives. I think you'll find that there are companies who are working with us on encryption.

Q: What about job displacement? What happens to communities if businesses move off Main Street and into cyberspace?

- Electronic commerce will create new jobs and power new business in small towns and big cities across the America, throughout the world. The Internet can crack open new markets once shut off to small businesses who could not afford to market their products or open offices overseas. The Internet will provide new opportunities for consumers to browse virtual shopping malls and visit online merchants. Such new business models will invigorate existing ones, transforming local businesses into transnational ones and creating an extraordinary demand for new, high-paying value-added jobs.

Q: What about piracy? Doesn't the Internet create a new and easy avenue for pirates to steal intellectual property?

- The Internet offers tremendous promise, but it will only thrive as a commercial marketplace if the laws which safeguard businesses and consumers in the physical world are extended into cyberspace. We will work hard to ensure that intellectual property is protected online through sending legislation to Congress later this summer to ratify the treaty agreements which were negotiated last December in Geneva at the World Intellectual Property Organization (WIPO). We hope to work with our international trading partners to ensure that these agreements are approved, not just on Capitol Hill, but in legislatures across the world. In addition, we will retain the right to respond with appropriate measures when foreign governments do not respect the intellectual property of US copyright holders.

THE EDUCATIONAL EXCELLENCE PARTNERSHIP/AD COUNCIL PSA'S

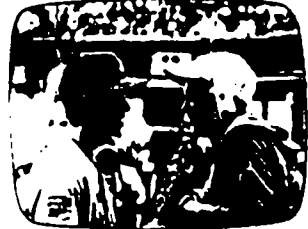
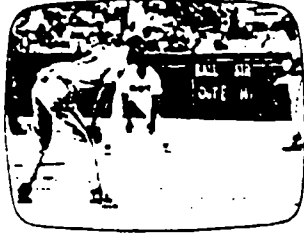
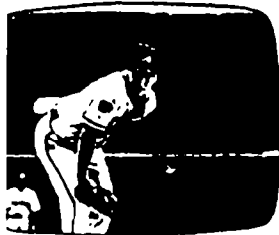
*Potus Launch at Camden Yards, Wednesday 1:50pm

*Game time is 2:00pm, Orioles v Phillies

- PSAs feature three Major League Baseball players: Tony Gwynn (San Diego Padres), Brett Butler (Los Angeles Dodgers) and Tom Glavine (Atlanta Braves).
- Viewers are encouraged to "be a big league parent" by calling a toll free number (1-800-38-BE-SMART) to receive a free copy of a booklet entitled "Strengthening Your Child's Academic Future". The booklet provides sample questions parents can use to begin a dialogue with their children's teachers and administrators about academic standards at their school.
- The Education Excellence Partnership (EEP) is a non-profit organization working to strengthen the academic future of America's children by **encouraging parents to get more involved in their children's education and learn about and support higher academic standards.**
- The EEP is a coalition of public officials, business and teacher organizations including: The Business Roundtable, U.S. Department of Education, American Federation of Teachers, National Alliance of Business, National Education Association, National Governors' Association, and the U.S. Chamber of Commerce.
- The PSA's are part of a continuing effort to help Americans learn more about the urgent need for reform in America's schools, to raise academic standards, and to encourage parents to get more involved in their children's education.
- The PSA's were created by Leo Burnett Company and will be distributed by the AdCouncil. They will begin airing immediately.

Drafted by L. Schwartz, 7/1/97

"RUBBER ARM" :30 CNEE-7230



(SFX: CROWD NOISE) FAN: Pitcher got a rubber arm! Pitcher got a rubber arm! Pitcher got a rubber arm! MANAGER: Tom, where are you going? Hey, we've got a ball game here. GLAVINE: Pardon me. FAN: Pitcher got a rubber arm. GLAVINE: It's has. FAN: Huh?

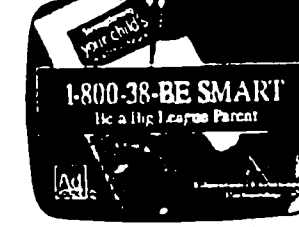
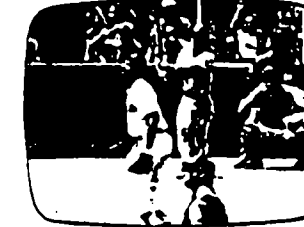


GLAVINE: Pitcher HAS a rubber arm. ANNCR VO: If education is important to you, talk to your child's school about raising academic standards. Call 1-800-38-BE SMART for a free booklet and be a Big League Parent.

"DINOSAUR" :30 CNEE-7330

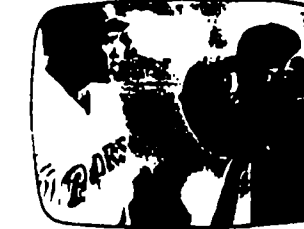


ANNCR: Now batting, Brett Butler. CATCHER: Butler? He's a dinosaur. They should rename this place Jurassic Park in his honor. BUTLER: Dinosaur, huh? Did you know that Shunosaurus and Ankylosaurus dinosaurs were capable of delivering crushing blows with their bony tail clubs?

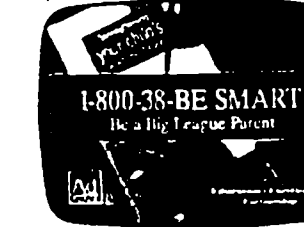


(SFX: WHACK!) ANNCR VO: If education is important to you, talk to your child's school about raising academic standards. Call 1-800-38-BE SMART for a free booklet and be a Big League Parent. BUTLER: Aw, even my third grader knows that. CATCHER: Smart kid.

"MAJOR LEAGUE MATH" :30 CNEE-7430



COACH: Out? Out? There's no way he's out! It's impossible. GWYNN: Actually coach, it's not. See, Jimmy had to travel a distance of 80 feet. He reached an average speed of 15 miles per hour. The ball left two seconds later than Jimmy and had to go one and a half times the distance...



ANNCR VO: If education is important to you, talk to your child's school about raising academic standards. Call 1-800-38-BE SMART for a free booklet and be a Big League Parent. GWYNN: ...thus enabling it to reach the destination at a much quicker rate. COACH: Did you factor in the wind speed?

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

July 1, 1997

MEMORANDUM FOR MICHAEL MCCURRY

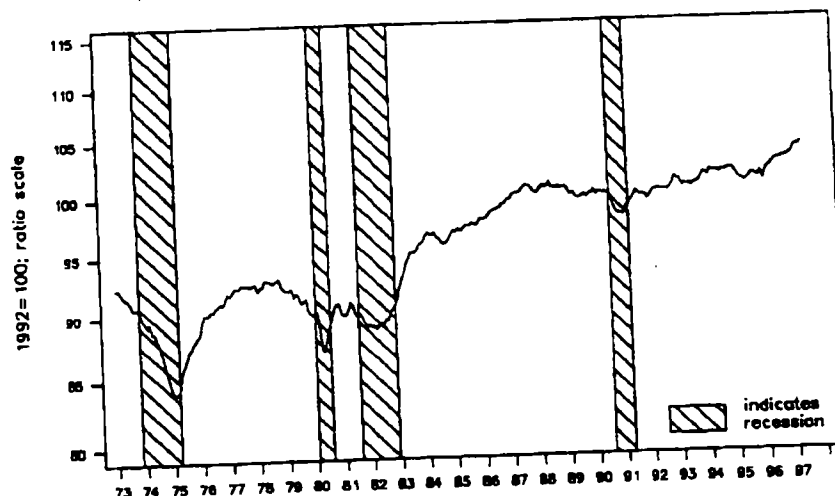
FROM: ALICIA H. MUNNELL *AM*
SUBJECT: May Index of Leading Indicators, Conference Board
Release, Tuesday, 10:00 a.m.

The composite index of leading indicators rose 0.3 percent to 103.8 (1992=100) in May, roughly in line with market expectations.

- Six of the 10 leading indicators rose in May. The most significant increases were (in order from the largest positive contributor to the smallest): stock prices, average weekly initial claims for state unemployment insurance, vendor performance, and index of consumer expectations.
- Four of the leading indicators fell in May. The most significant negative contributors were (from the most negative to the least): average workweek and the interest rate spread between 10-year Treasury bonds and the Federal funds rate.

The index of leading indicators has risen 1.1 percent since December and is consistent with continuing economic growth in the near term.

INDEX OF LEADING INDICATORS



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

1997 JUL 1 10:26

June 30, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: JEFFREY A. FRANKEL 
SUBJECT: State Unemployment Rates in May, Labor Department
Release, Tuesday, 10:00 a.m.

Attached is a list of unemployment rates by State for May 1997--ranked from lowest to highest. Also attached is a map that shows ranges of unemployment rates by State.

- The highest May unemployment rates were in Alaska (6.9 percent) and the District of Columbia (6.8 percent).
- The lowest unemployment rates were in Nebraska (2.3 percent) and South Dakota (2.6 percent).

The national unemployment rate decreased by 0.1 percentage point, to 4.8 percent in May. States experienced a wide range of changes in unemployment rates relative to April.

- Unemployment rates fell in 27 States and the District of Columbia, rose in 14 States, and held steady in 9 States.
- The largest decreases occurred in West Virginia (1.5 percentage point) and Alaska (1.0 percentage point).
- The largest increases occurred in Louisiana (0.7 percentage point) and Rhode Island (0.5 percentage point).
- Relative to May 1996, the unemployment rate decreased in 47 States and the District of Columbia, while 2 States had increases.

Attachments

Unemployment Rates by State, Seasonally Adjusted
Percent of Labor Force

May 1997

Nebraska	2.3	Arizona	4.7
South Dakota	2.6	Maryland	4.7
New Hampshire	2.8	Maine	4.8
Iowa	3.0	South Carolina	4.8
Utah	3.0	Wyoming	4.8
Indiana	3.2	Florida	4.9
North Dakota	3.2	Idaho	4.9
Minnesota	3.3	Mississippi	4.9
Wisconsin	3.4	Montana	4.9
Colorado	3.5	Tennessee	4.9
North Carolina	3.5	Washington	4.9
Oklahoma	3.5	Oregon	5.0
Vermont	3.8	Kentucky	5.1
Kansas	4.0	Connecticut	5.2
Michigan	4.0	Pennsylvania	5.2
Missouri	4.0	New Jersey	5.3
Delaware	4.1	Texas	5.4
Massachusetts	4.2	Rhode Island	5.7
Virginia	4.3	Hawaii	5.9
Illinois	4.4	West Virginia	6.0
Nevada	4.4	California	6.3
Georgia	4.5	Louisiana	6.3
Ohio	4.5	New Mexico	6.3
Alabama	4.6	New York	6.3
Arkansas	4.6	District of Columbia	6.8
		Alaska	6.9
		United States	4.8

Eleven large States are noted in boldface.

HONG KONG

July 1, 1997

Message point: This is a historic occasion taking place pursuant to an agreement made by China and Great Britain in 1984. We note with satisfaction that the transition was carried out in a dignified manner, without incident. China has agreed to apply the principle of "one country, two systems" to Hong Kong and to assure that Hong Kong retains a high degree of autonomy and its basic way of life. We expect China to live up to this commitment, and we will be active and engaged in watching the way in which China provides for basic civil liberties and rule of law.

Q. Are you concerned about the arrival of 4,000 troops and the use of armored vehicles?

A. We are not only interested in China's *formal* commitments but also the signals it sends to the people of Hong Kong. A decision to so visibly deploy the incoming troops may not have been the best approach. Nonetheless, the transfer of the garrison in Hong Kong from British to PLA forces occurred without incident and we commend PLA forces for their smooth assumption of their new role..

Q. Albright did not attend the opening session of the new legislative council, but the US Consul General did; did this send a mixed signal to Hong Kong and Beijing?

A. Albright's non-attendance at the swearing in of the provisional legislature (PM Blair also not attending) sent a strong political signal to both Hong Kong and Beijing that the United States expects the basic civil liberties of the people of Hong Kong to be respected. We believed the provisional legislative council was an unnecessary creation and we welcome C.H. Tung's commitment to hold elections by May of next year; we also welcome President Jiang reassurances on this point. American national interests – 1,000 companies, 40,000 citizens - need to be protected on a day-to-day basis, and that's the job of our Consul General; that's why he is attending the ceremony.

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 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.

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?

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 of constructively engaging China.

CHINA
June 27, 1997

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: 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.

China-Iran Missile Sales

Q: Secretary Albright has confirmed that China has sold C-802 anti-shipping 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.

GAO Report on NATO Enlargement Costs

Q: The GAO criticized cost assumptions which NATO and DoD have developed on NATO enlargement. What's your reaction?

A: GAO concluded that our key assumptions in developing an estimate of NATO enlargement were "reasonable." In other words, we're on the right track.

These estimates that will be refined after Madrid once know more about the specific needs of the countries nominated.

GAO noted what we have acknowledged all along: that there are many variables which will affect the cost of enlargement, including future levels of U.S. security assistance and the pace of future accessions by NATO.

Enlargement costs are manageable. The U.S. share is expected to be \$150-200M in incremental costs per year according to the Pentagon. The cost of inaction is much higher.

Enlargement will make NATO stronger and better able to address Europe's future security challenges. Through U.S. leadership, we have already seen progress towards strong democracies in Central and Eastern Europe, market reforms, the resolution on border and ethnic issues, and a new relationship between NATO and Russia.

FROM HELSINKI TO MADRID

In State of Union, President Clinton set out roadmap for American leadership in 21st century. First of six core strategic objectives was building undivided, democratic, peaceful Europe. The period from Helsinki (March) through Paris (May) to Madrid (July) represents milestone of American leadership in building new Europe -- a capstone for 20th century, cornerstone for 21st.

Helsinki -- Laying Foundation for U.S.-Russia Relationship in 21st Century

- Building Undivided Europe: Clinton and Yeltsin agreed on broad outlines for NATO-Russia partnership. Vindicated President Clinton's approach of bringing Central Europe's new democracies into NATO while building strong ties between NATO and Russia.
- Reducing Nuclear Danger: Yeltsin agreed to seek prompt Duma ratification of START II. Both agreed to guidelines for more cuts under START III once START II ratified: by 2007 reduce by 80% arsenals from Cold War height. Agreed to preserve ABM Treaty that restricts strategic missiles while allowing defenses vs. theater missiles.

- Help Russia Complete Transformation to Market Economy: As Yeltsin takes steps to reform economy, U.S. will free up funds to help finance billions of dollars in trade and investment with Russia -- bringing more jobs, prosperity to both. As evidence of Helsinki commitments, Russia took part in Denver Summit of Eight from start, joined Paris Club of creditor nations.

Paris -- The NATO-Russia Founding Act

- A New Era of Possibility: NATO-Russia Founding Act joins a great nation with history's most successful alliance in common cause for building undivided, peaceful, democratic Europe. Through Founding Act, NATO and Russia will consult and coordinate regularly. Where both agree, they will act jointly -- as in Bosnia.
- European Security Not Zero Sum: NATO's gain no longer Russia's loss, Russia's strength NATO's weakness. By reducing rivalry and fear, strengthening peace and cooperation, facing common threats to security of all democracies, NATO will promote stability in all of Europe.
- Fulfilling Marshall's Legacy: As President said in Marshall Plan and West Point speeches, we have historic opportunity to complete job Marshall generation began by extending to Europe's East stability, prosperity enjoyed by West and strengthening this generation's security.

Madrid -- Milestone of American Leadership

- Realizing President Clinton's Vision: In Brussels in 1994, Clinton put enlargement on table to strengthen NATO, lock in gains of democracy in CEE. In Madrid, first of Europe's new democracies will be invited to join: Hungary, Poland, Czech Republic. Door will remain open to all those able to meet responsibilities of membership.
- Capstone of 20th Century -- Cornerstone of 21st: The President's leadership from Helsinki to Madrid has laid a strong foundation for the new Europe of the 21st century. Europe can go from main battleground of bloodiest century in history to the citadel for values America promotes: freedom, democracy, security.

NATO SUMMIT MESSAGE POINTS & KEY EVENTS

The NATO Summit is history in the making -- and President Clinton more than anyone has helped make it. In Brussels in 1994, President Clinton set out vision for a new Europe in a new century: a continent undivided, democratic and at peace for first time in history. Working closely with our European allies, he has helped realize that vision by opening NATO's doors to Europe's new democracies, forging NATO-Russia and NATO-Ukraine partnerships, creating the Partnership for Peace. Now, the main battleground for bloodiest century in history can become, in a new century, a citadel for the values America promotes: freedom, democracy and security. Madrid represents a milestone of American and European leadership in building a new Europe -- a capstone for the struggles of the 20th century and a cornerstone for the achievements of the 21st.

KEY EVENTS

Independence Day Event -- Thursday, July 3 (Washington)

Message: Our own Independence Day is a symbolic launching point for Madrid, where we will help lock in Europe's freedom and security -- and strengthen our own. President will announce endorsements of NATO enlargement by the American Legion and the Reserve Officers Association. By bringing in surviving Polish and American veterans of the Battle of the Falaise Gap -- in which Free Poles and American 90th Infantry joined forces to trap and destroy Nazi panzer divisions in France after D-Day -- President will highlight that new NATO allies are in fact old allies who will add to NATO's strength.

Arrival Statement and Meeting with CODEL -- Monday, July 7 (Madrid)

Message: Remarks upon arrival at Madrid airport and in pool spray with Congressional Observer Group will set scene for the summit and highlight bipartisan support for NATO enlargement.

Remarks to American Community -- Tuesday, July 8 (Madrid)

Message: Summit is a milestone in President's efforts to forge new NATO with new members, new missions, new partners. NATO enlargement will strengthen alliance to meet new challenges, help lock in gains of freedom and stability in Central Europe. With NATO-Russia Founding Act, NATO-Ukraine Charter, Euro-Atlantic Partnership Council and Partnership for Peace program, it will help bring together for 21st century a continent divided during much of 20th century.

Press Conference and Reception for CEE Leaders -- Wednesday, July 9 (Madrid)

Message: Press conference opening statement will highlight that Madrid is history in the making - a decisive step toward President's goal of building a democratic, peaceful, undivided Europe. Reception for CEE leaders (new invitees and non-invitees alike) will put human face on enlargement -- and highlight how face of Europe has changed. A decade ago, these nations were our Warsaw Pact adversaries. Now, they are allies -- helping keep peace in Bosnia, settling old conflicts, strengthening foundation for freedom and stability in Europe. Remarks to be broadcast over Radio Free Europe -- once lone voice of freedom broadcast into CEE, now one of many voices of freedom broadcast from CEE.

Speech to People of Poland -- Thursday, July 10 (Warsaw)

Message: For four and half decades, we challenged people of Central and Eastern Europe to cast away shackles of communism. Now, we are making good on our commitment to bring them into community of democracies. President will praise great strides they have taken since 1989 to build democracy, open economies, settle old disputes and highlight peacekeeping partnerships they already have established with us in Bosnia. He also will emphasize that membership in NATO carries responsibilities. NATO's first invitees must continue to strengthen democracies, reform economies and militaries. As political, economic and security integration into West liberates them from old fears, they must forge new ties with a democratizing Russia and build undivided Europe.

Speech to People of Romania -- Friday, July 11 (Bucharest)

Message: President will reassure Romania and others nations left out of the first round of invitations that NATO's doors remain open to all those willing to meet the responsibilities of membership. He will state plainly that he has come to Bucharest not because of what the Romanian people have not done -- but because of what they have done and what he believes they will continue to do (strengthen democracy, open economy, prepare military) on path to NATO.

Speech to People of Denmark -- Saturday, July 12 (Copenhagen)

Message: In praising an enduring ally -- Denmark -- President will sum up a week that began the process of bringing new allies into the alliance and a period -- from Helsinki through Madrid -- that put in place foundation for a new Europe in a new century.

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.

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.

ARREST OF WEAPONS SMUGGLERS

July 1, 1997

Weapon Smugglers Arrested In Miami

Background: Two Lithuanians were charged in Miami after being arrested Friday trying to sell weapons to FBI agents. While the initial "sale" was for surface to air missiles, they also mentioned nuclear weapons as a follow-on deal. No weapons actually changed hands.

Q: **What can you tell us about the arrest of two Eastern Europeans for attempting to sell nuclear and other weapons in Miami?**

A: Since the matter is before the courts, it's inappropriate for me to comment directly on the case.

The good news is that Federal agents discovered these individuals before any sale was made.

However, the fact that these individuals mentioned the sale of nuclear weapons is another reminder of the need to work closely with the states of the former Soviet Union to safeguard the technology, know-how and fissile material involved in nuclear weapons.

We continue to encourage the Congress to fully fund cooperative threat reduction measures, the so-called Nunn-Lugar programs, which have proven valuable in reducing proliferation threats like this.

SUPERCOMPUTERS

July 1, 1997

Q: The Administration has just published a list of entities in Russia, China, India, Pakistan, and Israel that require a license for U.S. exports because of potential involvement in nuclear weapons-related activities. Isn't this list too little, too late?

A: Of course not. We have a responsibility to ensure that U.S. technology does not assist foreign nuclear weapons programs. Even where proliferation has already taken place, limiting the flow of technology can limit further development. At the same time, we recognize that the growth and spread of high technology, such as computers, make absolute controls impossible. The list we published is designed to inform U.S. exporters of particular end-users of concern, thereby facilitating legitimate commercial transactions with these countries.

Q: Why does the Administration oppose Congressional efforts to tighten computer export controls?

A: The President's 1995 decision to streamline computer export controls was based on an assessment of technological trends and national security concerns. In particular, we focused controls on high powered computers to end users of concern. Overall, this new system has worked well. It has facilitated U.S. computer exports for peaceful purposes, while blocking exports to proliferation programs.

Of course, no export control system is perfect. We are already responding to the small number of problems that have been detected. Legal investigations are underway. We have raised the issue with foreign governments at very senior levels. We are taking administrative measures to tighten controls, such as the recently published list of entities.

Additional controls as proposed by some in Congress are unnecessary and unhelpful to maintaining the balance in our current policy between national security interests and economic competitiveness.

U.S. High Performance Computers/China

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

The Administration revised export controls on computers in early 1996, consistent with our national security and nonproliferation concerns. Systems between 2,000 and 7,000 MTOPS (Millions of Theoretical Operations per Second) may be exported to civil end-users/uses in countries like China without prior permission.

We require companies to keep specific records of all such exports, 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.

Q: Can you comment on the report that a Chinese government weapons development facility has acquired a U.S. supercomputer?

The matter is being investigated by the Department of Commerce. Because there is an active investigation, however, further comment at this time would be inappropriate.

Q: What are the export controls on computers destined for China?

In January 1996, the Administration implemented the following computer export policy to, among other countries, China:

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

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

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

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

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

It can be. That is why U.S. exporters have been clearly instructed to contact the Commerce Department when they are uncertain about an end-user.

Q: Doesn't this shipment show that the Administration's computer decision has allowed a serious breach to our national security - namely that a U.S. supercomputer is now helping the Chinese government build weapons?

The Administration's computer policy recognizes the growing worldwide availability of high performance computers. It also recognizes that U.S.-origin computers should not be shipped to certain end users without explicit U.S. authorization.

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

An unauthorized shipment of a U.S.-origin computers is a matter for our enforcement officials, and as I noted, an investigation into this matter has been initiated.

Q: Why has the United States sold supercomputers to China to aid in the development of their nuclear weapons program?

The Administration announced in 1995 that it would revise its controls on supercomputers, recognizing that they were becoming more powerful and increasingly available worldwide.

But in liberalizing these controls, the Administration made special provision for licensing supercomputers to China--as well as other countries of proliferation concern--so as to ensure against sales for military end uses.

As a result, we require licenses for military-related computer sales to China for computer in the 2,000-7,000 MTOPS (millions of theoretical operations per second) range.

We also seek to ensure that supercomputers are not diverted to military uses through continuous Commerce review.

We continue to believe that our policy appropriately takes into account that significant changes in computer technology while protecting our non-proliferation goals.

With respect to the development of nuclear weapons, the Chinese have joined the other nuclear powers in a moratorium on nuclear testing. We believe it would be very difficult through computer modeling to acquire confidence in the redesign of nuclear weapons without testing.

Q: Is it true that the U.S. is investigating the transfer of a U.S. supercomputer to a Chinese military research and development facility?

A: Yes. This matter is being investigated by the Commerce Department, and we have already raised our concerns with the Chinese government. Obviously, I can't go into the details, but we are taking the appropriate steps to deal with this situation.

July 1 1997

Current

Yeltsin names daughter as advisor

- Understand that Yeltsin's daughter Tatiana Dyachenko to serve as an advisor to President -- obviously these are personnel decisions for Yeltsin, Russian government.

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.

General

NATO-Russia

- Founding Act signed by NATO heads of state and government and President Yeltsin in Paris May 27 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.

PRESIDENT CARTER'S VISIT

IF ASKED:

Q: Did Jimmy Carter visit Nigeria as a USG envoy? Does the Administration agree with his recommendations that the U.S. should (1) lift its visa restrictions; (2) allow direct flights; and (3) certify Nigeria for narcotics cooperation?

A: President Carter visited Nigeria as a private citizen, not a U.S. envoy. As such, his comments do not reflect Administration policy.

Following General Abacha's coup in 1993, we banned visa issuance for high-ranking government officials, military officers, and civilians who formulate, implement or benefit from policies that impede Nigeria's transition to democracy, and members of their immediate families. That policy remains unchanged.

The Secretary of Transportation suspended air carrier service between the United States and the Lagos International Airport in August 1993, after the airport failed to meet international standards for aviation security. The Administration will continue to address this issue only on its technical merits.

With regard to narcotics certification, Nigeria has not been certified since April 1994. U.S. Government officials have outlined for the Nigerian Government specific areas in which we seek improved cooperation on counter-narcotics. Although the Government of Nigeria has made some progress, such as in attacking corruption from within the ranks of Nigeria's national drug law enforcement agency, it has failed to cooperate in other key areas, such as in extraditions of narco-traffickers. The decision not to certify Nigeria for narcotics cooperation reflects these factors.

June 25, 1997

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

One year ago 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.

Q: What is our assessment of the voting in Albania?

A: The U.S. delegation, led by Assistant Secretary for Democracy and Human Rights, John Shattuck found the elections to be relatively orderly with high voter turnout.

Our judgment was based on observations over 400 other OSCE observers, including 55 Americans, deployed throughout the country.

Reports of instances of violence and other incidents did not appear to indicate widespread problems affecting the overall process.

The Italian-led multinational protection force (MPF), led by Commander Luciano Forlani, did a superb job protecting and escorting observers and international media.

The Italian government deserves special praise for its leadership role in conceiving, assembling and commanding the MPF, which greatly contributed to the overall success of the OSCE effort.

Q: Who won the elections?

A: We are awaiting official results.

Q: Were the elections free and fair?

A: We will await an evaluation by the OSCE. It is our hope that the Albanian people and international community will find the elections to be a credible reflection of the will of the Albanian people.

Q: There are press reports that Berisha has conceded defeat. What is our reaction?

A: We have seen reports that he has conceded. However, official results have not yet been announced. It is premature to comment further.

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. 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.

IRAQ
June 26, 1997

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.

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."

CASPIAN ENERGY

June 27, 1997

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 Kazakhstan, 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."

MEXICO
June 26, 1997

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

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

BOSNIA
July 1, 1997

Plavsic Detention/RS Power Struggle

- We have seen reports that Republika Srpska President Biljana Plavsic was detained briefly over the weekend upon her return from a trip to London. We raised the issue with the FRY Government.
- Plavsic has been seeking to suspend Republika Srpska Interior Minister Kijac, who is in charge of the RS Special Police. The fundamental issue here is the performance of the RS and its police force the failure to meet their obligations under Dayton.
- Special Representative Gelbard and the interagency team are in Bosnia and have met with Plavsic, Krajisnik and other to stress U.S. concerns that Republika Srpska is in serious non-compliance with Dayton regarding the need to restructure and reform the police forces along democratic lines.
- If there is a split within the RS Government, we expect it to be resolved peacefully and constitutionally and in accordance with Dayton.

Radovan Karadzic

- We are concerned with reports that President Plavsic has said that Radovan Karadzic is playing a role in governing Republika Srpska, in violation of the agreement reached with the RS last year.
- Karadzic was removed from office and remains banned from any public or political role as agreed by Republika Srpska. We continue to monitor the situation and will insist that Republika Srpska live up to their agreement. We remain concerned about his potential influence and will not be satisfied until he is brought to justice in the Hague.
- The OSCE recently ruled that neither Karadzic nor other indicted war criminals are eligible to vote in the RS.

Buyer-Skelton Amendment for Date Certain Withdrawal from Bosnia

- President's senior advisors have recommended a veto if such a measure were to remain in the Authorization bill after the House-Senate Conference. 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 Croatians that U.S. support for multilateral lending and assistance will be conditioned on Croatian cooperation on Dayton implementation issues.
- The U.S. did not object to the \$13 million International Finance Corporation loan to Croatia (considered on June 9) because of the recent positive actions taken by the Croatian Government in this regard, including opening the Brcko bridge and commitments on inter-ethnic reconciliation, including full implementation of the amnesty law.
- We made clear to the Croatians 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

- 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

- 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 conducted this Spring 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

July 1, 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.

We urge the IRA, 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 the 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?

We 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.

We urge parties in talks to move forward into substantive negotiations on the 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.

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.
- **If asked: Senator Mitchell has said he will stay on as talks chairman until either a result is achieved or he becomes convinced that no progress is possible.**

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.

Barak Calls at White House

- Q: What was the purpose of the meetings at the White House Friday 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.

NICARAGUA
June 27, 1997

[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 States' 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.

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.

KOREA
July 1 1997

U.S./ROK/DPRK Talks

Q: What is the significance of the preparatory talks that were announced yesterday in New York?

A: The agreement by North Korea to participate in preparatory talks 5 August in New York is the first real step toward realizing President Clinton and President Kim's offer of peace talks that will lead to a permanent peace on the Korean peninsula. China will join the preparatory talks during which we will establish the venue, timing, procedures and agenda for the plenary session of the four party peace talks.

Q: How long will the preparatory talks last and when do you anticipate the start of the plenary session of the four party talks?

A: We do not have a specific time limit on the preparatory talks. We anticipate each of the four nations involved will come to the talks prepared to work toward the earliest date for the start of the plenary session.

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 targeted at helping children. The United States has responded to these programs in the past, and we expect to in the future.

U.S. DEPARTMENT OF STATE
Office of the Spokesman

(Hong Kong)

For Immediate Release

June 30, 1997

STATEMENT BY SECRETARY OF STATE MADELEINE K. ALBRIGHT

NORTH KOREA: FOUR PARTY TALKS

The Democratic People's Republic of Korea today accepted the proposal by the United States and the Republic of Korea for Four Party peace negotiations. We welcome the DPRK's commitment to participate in this historic process.

Presidents Clinton and Kim Young Sam first proposed these peace negotiations at their summit on Cheju Island in the Republic of Korea on April 16, 1996. The purpose of the Four Party talks is to reduce tensions and build confidence on the Korean Peninsula with the aim of putting a formal end to the hostilities of the Korean War. The successful conclusion of a peace agreement would bring lasting peace and stability to the Korean Peninsula and contribute greatly to the peace and stability of the entire region.

The three delegations agreed that the four parties involved--the Democratic People's Republic of Korea, the Republic of Korea, the People's Republic of China, and the United States--will meet for preparatory talks on August 5 in New York. At that meeting, the four parties will decide the date, venue, agenda, and procedures for the formal start of Four Party peace talks.

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

- **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, 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.

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?

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.

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

We welcome publication of this first-rate study addressing an important concern of the men and women who served our nation in the Persian Gulf.

The study compared the birth records of children born at military hospitals to virtually all 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.

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.

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

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).

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

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: Do you agree with the UN that Kabila is delaying the UN investigation into massacres?
Do you believe that Garreton must be included on the team?

A: Our understanding was that during UNSYG Annan's meeting with President Kabila in Harare earlier this month, and certainly at the Richardson-Kabila meeting in Lubumbashi June 7, it was agreed that a UN investigation should go forward and that UN investigator Garreton would not go to the DROC with the team.

Ambassador Richardson agreed with Kabila that it was important to include investigations of abuses dating back to 1994 to provide context for more recent abuses.

We support these decisions and are consulting with the UNSYG on how to move forward.

If in fact the original UN team is not permitted to fulfill its mandate, then we believe that SGY Annan should send a supplemental investigative team to DROC by July 7 as agreed.

We expect President Kabila to honor his commitment to allow the team to begin its work by July 7.

Q: Have we protested the delay? If so, who did so and to whom?

A: There is no delay at this time. The advance team is still in Kinshasa. They have not yet issued their report and the GDROC has therefore not reacted.

We hope they will work out an arrangement to allow an investigative team to begin its work the week of July 7.

Our Embassy in Kinshasa has been pressing the Kabila government on many occasions since Ambassador Richardson's visit earlier this month. The GDROC is well aware of our strong views on this subject.

Q: What progress has the advance team made?

A: The advance team has had a number of meetings with the Kabila government to discuss preparations for the UN investigative team scheduled to begin its work on July 7.

We expect the investigation will go forward as planned. That is what is important

We refer you to the UNHCR in Geneva for details.

POINTS ON NAFTA REPORT

FR: USTR

DATE: 7/1/97

Q: Why is the report late?

A: The report we are providing to Congress will be a comprehensive assessment of the NAFTA after three years on trade, labor and environmental issues. We take the responsibility seriously to provide a thorough report. This report will look at numerous information sources, academic analysis of NAFTA, and incorporate new data and analysis. We are simply running a bit behind in the process of putting this report together, but will have it delivered to Congress next week.

Q: Didn't the NAFTA legislation require the report to be delivered to Congress by July 1?

A: The deadline was July 1, but the report is not yet finished. We have consulted with members of Congress and we will deliver a comprehensive report next week.

Q: Have you set a specific date to deliver the report next week?

A: No.

Q: Does the delay have anything to do with "fast track" considerations?

A: We are simply running behind in getting the report together. "Fast track" is an issue we will address in the Fall and is all about defining a trade agenda for the 21st century.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

June 17, 1997

FACT SHEET

**PRESIDENT CLINTON'S STRATEGY FOR ECONOMIC GROWTH
AND OPPORTUNITY IN AFRICA**

President Clinton announced today a new partnership to promote economic growth and opportunity in Africa. As part of the President's strategy to organize America and our partners to meet the challenges of the 21st century, the President will work with bipartisan Congressional supporters to pass legislation expanding investment and trade between Africa and the United States and three days from now, at the Denver Summit of the Eight, he will encourage the world's other major industrialized economies to join him in these efforts. The substance of the President's Africa trade strategy is as follows:

BUILDING ON SUCCESS:

Africa is not merely a continent of civil strife and humanitarian crises as portrayed on the news, but a continent on the doorstep of a new era of democracy and prosperity. Africa is rich in resources and potential; a majority of its 48 countries have adopted market-oriented economic and political reforms in the past seven years.

- Over 30 sub-Saharan African nations recorded positive growth rates in 1996..
- Some in Africa are attaining growth rates comparable to those of East Asia -- as high as 12% per year.
- African trade doubled between 1990 and 1995, and is expected to continue to grow by more than 6% per year through 2001
- U.S. exports to Africa grew 20% last year, and were more than 25% greater than our exports to the entire former Soviet Union.
- Foreign direct investment flows to Sub-Saharan African countries reached \$4.5 billion in 1996, triple the average annual level for 1990 to 1993.

PROVIDING INCENTIVES FOR SOUND ECONOMIC POLICY:

Africa's recent economic growth underscores President Clinton's strategy: countries that adopt sound financial policies and open their markets to trade should benefit most from access to our markets and from assistance resources targeted to generate growth. Steps include:

- President Clinton's budget request includes up to \$10 million annually from USAID to finance specific growth-oriented programs in Africa including emphasizing trade and investment liberalization through less strict trade regimes; the introduction of current account convertibility; providing national treatment for foreign investors; and entering into bilateral investment treaties and the World Trade Organization.
- The President's strategy will encourage African policies that invest in human resources by shifting government investment toward education and health and improving the effectiveness of education investment by focusing on outcomes (e.g., increasing the literacy rate) rather than inputs (spending).
- Maximum support will be afforded countries that are improving policy management and governance through streamlining and reducing the scope of government activities; increasing the professionalism, transparency and accountability of the public sector; and developing a judicial system in which published rules are impartially applied and appeal procedures are clear.

SHIFTING FROM AID TO TRADE:

President Clinton believes American markets are one the most powerful tools we have to encourage African growth and reform efforts and will work for legislation that would expand African access to America's market.

- The poorest countries in Africa would receive duty-free access for an additional 1,800 products under the enhanced Generalized System of Preferences (GSP). Further market access would be made available to those African countries that are undertaking concerted reforms to open and liberalize their economies, along with tariff reductions on some product groups that have traditionally been excluded from the GSP program.
- To leverage American efforts, the President will seek commitments from his Denver Summit Partners to maintain, and where possible expand, preferential tariff treatment into their markets. Summit Partners will also work actively with the WTO and other organizations to assist African efforts to reform and liberalize their trade and investment regimes.

PROMOTING PRIVATE INVESTMENT:

President Clinton's strategy is intended to promote a strong and positive environment for private investment to spur the continued economic growth of the continent.

- For those African countries undertaking the necessary policy reforms, the Overseas Private Investment Corporation (OPIC) will leverage private capital by issuing guarantees for a proposed \$150 million fund investing in the region, sponsored by private sector participants.
- OPIC will work to secure partial guarantees for special investment funds with aggregate capital of up to \$500 million, concentrating on African infrastructure projects such as telecommunications, power, transportation and financial services.
- At the Denver Summit, President Clinton will urge his partners to join him in committing bilaterally and multilaterally to encourage improvements in African investment regimes by encouraging the adoption of investment protection treaties that reduce the risks faced by foreign investors.
- At the Denver Summit, President Clinton will urge his partners to encourage international institutions, the UN and other donors to work directly with African countries to develop innovative programs to encourage trade and investment.

SUPPORTING DEBT RELIEF:

The President's strategy supports efforts to alleviate the unsustainable debt burdens that act as a drag on growth in the poorest African nations. In 1995 and 1996, President Clinton joined with leaders of other major industrialized nations to establish a major new initiative to assist the heavily indebted poor countries (HIPC).

- The Administration has committed to support an approach leading to extinction of concessional bilateral debt for poorest countries.
- President Clinton will call on his Summit Partners to join him in urging the World Bank and IMF to provide relief under the HIPC debt initiative for eligible countries in support of their growth-promotion efforts. The HIPC debt initiative reduces debt burdens for those heavily indebted poor countries that undertake serious economic reforms. Under this initiative, the Paris Club of creditor governments will reduce eligible debt by up to 80 percent, and the International Monetary Fund, the World Bank, and the African Development Bank and Fund will also provide relief. Uganda is the first country to become eligible for this new relief program. It will receive several hundred million additional dollars in relief from creditor governments through the Paris Club. Several additional countries are now being reviewed as potential beneficiaries.

SUPPORTING CAPACITY BUILDING IN AFRICA:

President Clinton's strategy is stimulate the capacity of African nations to develop and grow their own educational and economic solutions.

- President Clinton will join with Denver Summit Partners to encourage international organizations such as the Special Program of Assistance on Africa, the World Bank, the UN and other organizations to develop programs that build institutional capacity in Africa including: assessing human and institutional capacity needs; establishing and strengthen economic policy institutes throughout Africa; strengthening economic training and curriculum development at African universities; strengthening education policy; and expanding links between African experts and institutions and their counterparts in our universities and other institutions.
- To encourage African nations undertaking reforms, the Agency for International Development (AID) will provide up to \$1 million annually to encourage greater contacts between U.S. and African firms and up to \$25 million annually to encourage African regional trade development efforts, promoting investment policy harmonization, regional business ties, financial sector development and privatization. And the Trade Development Agency (TDA) will increase the number of African trade missions.

STRENGTHENING AGRICULTURE AND RURAL DEVELOPMENT:

President Clinton's strategy of growth and opportunity in Africa is designed to alleviate poverty in Africa through sound policies to promote the agricultural sector and rural development.

- Based in part on the principles endorsed at the World Food Summit, the United States will work with African governments and other donors to help develop criteria and indicators for policy development and the statistical data needed for appropriate policy decisions.
- The United States will provide up to \$15 million annually under the new multi-year Africa Food Security Initiative to support agricultural market liberalization, export development and agribusiness investment.

SUPPORTING DEMOCRACY:

President Clinton believes that private investment and business activity flourish where democratic governance and the rule of law are strong.

- The President will join with his Denver Summit Partners to promote democratic governance in Africa through supporting legal reforms and training; encouraging independent bar and other professional associations; and strengthening African efforts to combat corruption, and to bring transparency and accountability into government procurement.

SUPPORTING AFRICAN PEACEKEEPING

- At Denver, President Clinton will work with his Summit partners' to support expanded international efforts to enhance Africa's own peacekeeping and conflict resolution capacities.
- Working with the OAU and the UN, this initiative would complement the Administration's own Africa Crisis Response Force Initiative, launched in 1996, to enhance African peacekeeping capacity.
- Special emphasis will be placed on training, joint exercises, common peacekeeping doctrine, and other efforts to ensure an interoperable, rapidly deployable African peacekeeping and conflict management capacity.

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AFRICAN CRISIS RESPONSE INITIATIVE

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April's question today

Q: WHAT IS THE STATUS OF THE ACRI?

A: -- THE U.S. CONTINUES ITS EFFORT TO PROMOTE A MULTILATERAL INITIATIVE AIMED AT ENHANCING THE CAPABILITIES OF SELECTED AFRICAN MILITARIES TO RESPOND COLLECTIVELY TO REQUIREMENTS FOR JOINT HUMANITARIAN ASSISTANCE AND PEACEKEEPING OPERATIONS IN AFRICA. WE HOPE TO STRENGTHEN AFRICAN CAPACITIES AND TO DECREASE AFRICAN RELIANCE ON OUTSIDE INTERVENTION TO RESOLVE AFRICAN CRISES.

-- WE HAVE BRIEFED OUR CONCEPT TO POTENTIAL PARTICIPANTS, COUNTRIES IN AND OUTSIDE AFRICA, AS WELL AS TO MULTINATIONAL INSTITUTIONS (UN, OAU AND EU). A NUMBER AFRICAN COUNTRIES HAVE INDICATED A DESIRE TO RECEIVE COMMON PEACEKEEPING TRAINING AND INTEROPERABLE COMMUNICATIONS EQUIPMENT. SEVERAL AFRICAN AND NON-AFRICAN STATES HAVE EXPRESSED AN INTEREST IN COMING TOGETHER TO CREATE A GENUINELY MULTILATERAL PEACEKEEPING TRAINING INITIATIVE.

-- AT THE RECENTLY CONCLUDED SUMMIT OF THE EIGHT IN DENVER, THE FINAL COMMUNIQUE EXPRESSED THE EIGHT'S SUPPORT FOR LONG-TERM EFFORTS TO PROMOTE RAPIDLY DEPLOYABLE AFRICAN PEACEKEEPING CAPACITIES AND CALLED FOR CLOSER COORDINATION IN THIS REGARD.

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Q: ARE WE PREPARING TO PROVIDE MILITARY TRAINING?

A: -- IN ORDER TO ACHIEVE OUR OBJECTIVE OF ENHANCED CAPABILITIES AND CAPACITIES FOR SELECTED AFRICAN MILITARIES TO RESPOND COLLECTIVELY TO REQUIREMENTS FOR INTERNATIONAL HUMANITARIAN ASSISTANCE AND PEACEKEEPING OPERATIONS, WE ARE PREPARING TO PROVIDE TRAINING AND SUPPLEMENTAL EQUIPMENT TO SEVERAL PARTICIPATING AFRICAN MILITARIES. BOTH THE TRAINING AND SUPPLEMENTAL EQUIPMENT WILL BE LIMITED TO THAT REQUIRED TO PARTICIPATE IN THE PEACEKEEPING AND HUMANITARIAN MISSIONS.

Q: WHAT COUNTRIES HAVE MADE OFFERS TO CONTRIBUTE TROOPS? WHAT COUNTRIES WILL RECEIVE THE TRAINING AND EQUIPMENT?

A: -- WE ARE NOT PREPARED TO DISCUSS THE CONTRIBUTIONS OFFERED BY POTENTIAL PARTICIPANTS. SUCH AN ANNOUNCEMENT SHOULD COME FROM THE PARTICIPANTS THEMSELVES.

Q: IS THE FORCE A DUPLICATION OF FRENCH AND BRITISH EFFORTS?

A: -- BOTH FRANCE AND THE U.K. HAVE BEEN ENGAGED IN LONG-TERM EFFORTS AIMED AT ENHANCING AFRICAN PEACEKEEPING CAPABILITIES FOR SOME TIME. THE U.S. INITIATIVE IS A RELATIVELY NEW EFFORT, BASED ON OUR

(CONTINUED)

PERCEPTION THAT CONTINUING AFRICAN CRISES REQUIRE A DYNAMIC MULTILATERAL RESPONSE AND THAT AFRICAN COUNTRIES ARE PREPARED TO PLAY A CENTRAL ROLE IN RESOLVING AFRICAN CRISES. ON MAY 22, THE U.S., UK, AND FRANCE REACHED AGREEMENT ON A SERIES OF PRINCIPLES MEANT TO GUIDE A MULTILATERAL, COLLABORATIVE EFFORT IN THIS AREA. THE EIGHT, IN DENVER, WELCOMED THIS RECENT PROGRESS TOWARDS ESTABLISHMENT OF AN AFRICAN PEACEKEEPING SUPPORT GROUP, AND URGED INTERESTED COUNTRIES TO ACTIVELY EXPLORE MECHANISMS FOR COORDINATION OF PRACTICAL ACTIVITIES. OUR OBJECTIVE IS TO JOIN WITH FRANCE, THE UK AND OTHERS TO MOVE THIS MULTILATERAL INITIATIVE FORWARD AS QUICKLY AND COHERENTLY AS POSSIBLE.