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Daily Press Guidance

Monday
July 21, 1997

(For internal use only.)

Press Guidance
Monday, July 21, 1997

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GUIDANCE ON BUDGET/MEDICARE

JULY 21, 1997

MEETINGS

- * No formal meetings are scheduled today. I'm sure there will be conversations today, however, as we seek to move forward in negotiations. I'm sure, for example, that John Hilley will spend time on the Hill today as he does every day.
- * We think the most effective way to produce legislation that conforms with the agreement and that can be signed into law is to engage with those who participated in the agreement in the first place, and we're working to do that.
- * Over the weekend, Rubin, Hilley, and Summers met with tax-writers (Roth, Moynihan, Archer, Rangel) and leadership -- Nickles and staff for Daschle.

MEDICARE

Pear story in NYT today

- * There has been a trend in recent years, because of a quirk in reimbursement formulas, toward higher and higher out-of-pocket copayments by Medicare beneficiaries for outpatient hospital services.
- * In fact, Medicare beneficiaries are now paying, on average, a 47 percent coinsurance rate for outpatient services. Without a change in the law, this extremely high coinsurance is projected to increase well over 50 percent.
- * Most beneficiaries might not have noticed because most have Medigap insurance that pays the increased costs. However, the 15% of beneficiaries (about 6 million) without Medigap have suffered, and those with Medigap have effectively paid as well through substantially higher Medigap premiums.
- * The President insisted in budget negotiations on measures that would turn that trend around, and as a result, the legislation, beneficiaries will see a gradual reduction in the amount they contribute toward outpatient services down to the traditional 20-percent level.
- * This will have the effect of reducing beneficiary cost-sharing and will also have the effect of reducing Medigap premiums.

TOIV
Jennings, Hilley

Crack Cocaine Sentencing

Press Guidance

July 21, 1997

- * The President believes that the current disparity in sentencing between crack cocaine offenses and powder cocaine does not make sense (Current ratio is 100-1 -- crack cocaine offenses being the 100)
- * The President also believes that a 1:1 ratio does not make criminal justice sense
- * The President asked the Attorney General Reno and General McCaffery to come up with a recommendation that is both fair and makes criminal justice sense.
- * The President has received a recommendation from Reno and McCaffery and we are currently consulting with Congress.

Lockhart per Rahm

THE NOMINATION OF BILL LANN LEE FOR ASSISTANT ATTORNEY GENERAL FOR CIVIL RIGHTS

President Clinton announced his intent to nominate Bill Lann Lee as Assistant Attorney General for Civil Rights at the Department of Justice. Lee would be the first Asian-American to serve in that position.

Over 20 Years Experience in Civil Rights

Mr. Lee has devoted his career to civil rights law; he has been active in a wide range of cases involving such as employment discrimination, health care accessibility, equal access to education, public transportation equity and prevention of lead poisoning in poor children.

Lee has authored briefs in many cases before the Supreme Court and has presented oral arguments before seven U.S. Circuit Courts of Appeal. He is admitted to practice in the U.S. Supreme Court, eight of the 13 federal circuit courts and the California and New York state courts.

Praised as an Excellent Litigator

He has won praise by his allies and adversaries alike as a pragmatic attorney and skilled coalition builder. As an advocate, Mr. Lee built a reputation for bringing cases to a close through effective and pragmatic settlements that serve the interests of all parties.

Mayor Richard Riordan of Los Angeles, a former opponent in a lawsuit over local transportation funding, commends Lee for his "practical leadership and expertise" in the settlement of the case.

A History of Commitment to the Issues

A first generation Chinese-American, Lee, 48, was born in New York City and grew up in Harlem, where his family owned a small laundry. He credits his late father, a veteran of the United States Army in World War II who experienced bigotry despite his proud service to his country, with providing him the inspiration to pursue a career in civil rights law. Lee attended public schools, graduated from Yale with honors and later earned his J.D. from Columbia Law School.

Lee lives with his wife, Carolyn Yee, in Los Angeles and has three children ages 15, 6 and 4 years old.

Press Guidance

July 21, 1997

NBC TV RATINGS

Q: What does the Administration think about NBC's decision to reject new industry standards for rating television content?

A: We think this agreement is a major step forward. We hope in due course they'll join in. If not we will consult with parents groups and the rest of industry, and Congress before assessing what further action to take.

Silverman
per Kohlenberger/OVP

Press Guidance
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BILINGUAL EDUCATION

In June, Californians may face a new ballot initiative to abolish bilingual instruction for public school children in the state. The idea has support from many conservatives and some in the Latino community.

The Administration continues to strongly support bilingual education, **which can be an important means for providing extra help to kids so they can become proficient in English.** We want to ensure that resources are available to help children learn English well.

We proposed **more than a 25% increase in bilingual education which is** one of the areas protected in the balanced budget agreement.

Does the Administration plan to intervene in California or campaign on behalf of bilingual education?

This measure has not yet even been introduced so this question may be premature. However, our position is clear -- the President is in strong support of bilingual education and we believe that this option should continue to be available for local communities.

Mellody per Bill Kincaid, DPC

CEASEFIRE

- Q: Do you think the Ulster Unionist Party will walk out of the talks?**
(Note: The Unionist Party of the UK, a small unionist party, has already done so.)

Don't know but certainly hope the UUP will stay in the talks and work to reach a negotiated settlement to conflict.

- Q: What is Senator Mitchell's role?**

Senator Mitchell is chairing the talks in Belfast.

- Q: What is your reaction to the IRA ceasefire declaration?**

President has issued statement welcoming declaration. If implemented unequivocally and permanently, opens prospect of achieving just and lasting settlement.

- Q: Did the U.S. play a role in getting the ceasefire restored? Has the President been in touch with any of the parties?**

As you know, Administration has been in close touch with British and Irish governments and with the political parties, including Sinn Fein, in effort to get ceasefire restored and peace process moving again.

Credit belongs to British and Irish governments and to Northern Ireland's political leaders; hope our efforts were helpful to them.

If pressed: Not going to reveal who we talked to or when, but assure you that Administration fully engaged in peace process at this critical time, as we have been for several years.

Goal of peace process is democratically negotiated settlement. Will continue to work with governments and parties to support the negotiations chaired by Senator Mitchell.

- Q: Are you concerned that IRA did not use the word "permanent" in the ceasefire declaration?**

This is an unequivocal ceasefire, which we certainly understand to mean that it is to be permanent.

- Q: Will you give Gerry Adams a visa?**

We do not have an application but, as you know, Mr. Adams has previously been granted visa waivers on the basis of a ceasefire.

Q: Would he be allowed to raise funds here?

Ceasefire was just declared. Not going to comment on issues like this at this point.

Q: Did the President speak with the Irish Prime Minister this week?

A: POTUS called to talk to Prime Minister Ahern, establish personal contact on Northern Ireland peace process, as he had with Prime Minister Bruton.

POTUS and Ahern had exchanged letters since Ahern came to power June 26 but this is first call. They did meet in Dublin in 1995.

President keeps in touch with both Irish and British leaders to support their efforts to achieve a negotiated settlement in Northern Ireland. That was subject of this call.

Discussed Irish and British efforts to move talks into substantive negotiations; ideally with Sinn Fein participation on basis of unequivocal ceasefire.

Agreed this is critical period for peace process; President reiterated offer to do whatever he can to help.

Q: Any response to the press conference by members of Congress last week?

A: President deeply concerned about Northern Ireland -- remains actively engaged. Discussed it on numerous occasions Prime Minister Blair recently; kept in touch with former Irish Prime Minister Bruton, as he plans to do with new Prime Minister, Bertie Ahern.

If pressed:

Q: How involved has the Administration been in dealing with the situation?

A: Ahern only in office two weeks; he and POTUS have not talked yet, but POTUS has written.

President believes that negotiations leading to just and lasting settlement are best way forward. Focus of attention should be on talks, peace process, rather than sectarian confrontations

Administration officials remain actively engaged as well -- have been in close touch with officials of two governments and Northern Ireland parties.

If pressed:

Q: Who is the Administration dealing with in Northern Ireland?

A: Not going to go into detail on who or when, but certainly can say we are actively engaged with all key players.

Q: Is the British Government doing enough to move the process forward?

A: Believe British government seeking to move peace process forward; aide memoire of June 13 remains forthcoming offer for Sinn Fein participation in talks on basis of unequivocal ceasefire.

If asked:

Q: Any criticism of Mowlam's decision?

A: NIO Secretary Mo Mowlam has been determined and courageous in seeking to move peace process forward in Northern Ireland. Criticism of her on basis of one difficult decision is shortsighted.

If asked:

Q: Would the Administration support the use of UN peacekeepers in this situation?

A: Do not think that UN peacekeepers appropriate or useful in this context.

If asked :

Q: What about State Department Spokesman Nick Burns' comments regarding the British decision?

A: President did not say he agreed with British decision; we have said only that we understand it was difficult decision and we are not going to second guess British. Burns was speaking personally when he speculated that the decision may have been a good one in light of last year's violence.

Reaction to Events in Northern Ireland

- President following events in Northern Ireland with deep concern, saddened by spectacle of renewed confrontation and violence in Northern Ireland.
- We regret that local residents and marchers failed to reach agreement on contested parade.
- *If pressed on whether we support British decision:* Not going to second-guess decision, which Chief Constable explained was made on security grounds.

- *If asked about Adams call for nightly demonstrations:* Urge both communities to move beyond bitterness and confrontation, focus on avoiding future problems. Political dialogue and communal reconciliation are only way forward for Northern Ireland.
- Goal remains a just and lasting political solution; now more than ever, leaders need to work toward that goal.

Q: Is there hope for the peace process with tensions escalating during marching season?

A: Believe people of both communities want to avoid sectarian confrontation over controversial marches. Applaud determined efforts of British government and Northern Ireland leaders to find solution that will avoid exacerbating tension.

Peace process at critical juncture; confrontation over marches not in anyone's interest. Urge residents and marchers to approach issue with generous spirit, seek to avoid confrontation.

Hope men and women of goodwill from both communities will not allow destructive few to determine outcome.

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.

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.

The White House
Office of the Press Secretary

For Immediate Release

July, 19 1997

**Statement by the President on the IRA
Cease-fire in Northern Ireland**

On behalf of the American people, I welcome the cease-fire declared by the IRA on July 19. This declaration, which we expect to be implemented unequivocally and permanently, can open the door to inclusive negotiations to achieve a just and lasting settlement of the conflict in Northern Ireland, a settlement that will heal age-old divisions and create an environment in which both vibrant traditions can flourish and prosper.

This is a moment of great possibility. As Northern Ireland's political leaders begin to shape their future, I urge them to do so on the basis of the principles of fairness and compromise that underpin all democratic systems. These negotiations must be based on a commitment to bringing about positive change and respecting the eventual settlement, even though it will not fulfill all the desires of any one party or community. The negotiations must ensure equality, justice and respect for both cultures. As I have said many times, such negotiations can only take place free from the shadow of the violence or the threat of violence. That is why we look to Sinn Fein, like the other parties participating in the talks, to give their full commitment to the Mitchell Principles.

Many men and women have taken great risks to bring about a peaceful resolution of this conflict. I commend the leaders of Sinn Fein who have helped bring about the cease-fire, as I commend the loyalist leaders who have sought to maintain their own cease-fire through many difficult months. The possibilities opened by today's announcement are also a tribute to those political leaders who have steadfastly condemned violence and worked to forge a democratically negotiated settlement. I particularly appreciate the efforts of the governments of Great Britain and Ireland, who have dedicated themselves to pursuing peace and a democratically negotiated settlement that will benefit all the people.

The United States will work closely with the two governments and the political parties to build on this historic opportunity. On the basis of this cease-fire, implemented unequivocally, my Administration will work with Sinn Fein as with the other political parties. The United States will strongly support those who take the risks of principled compromise as they seek a peaceful and prosperous future for themselves and their children.

BOEING-MCDONNELL DOUGLAS MERGER

July 21, 1997

Q: What are you doing in anticipation of the EU decision on Weds. on the Boeing-McDonnell Douglas merger?

A: We have been in regular contact with the Commission, and several U.S. officials are in Brussels for ongoing discussions with EU antitrust authorities.

We are reviewing our options. We are not going to speculate about potential outcomes. We hope the EU will make this decision solely based on objective anti-trust criteria.

Q: What are the latest developments on the EU's consideration of the Boeing-McDonnell Douglas merger?

A: Representatives of Boeing and the European Commission have discussed over the past few days the Commission's concerns about the proposed merger between Boeing and McDonnell Douglas. Separately a team of Justice Department and Defense Department officials held consultations this past weekend with EU competition authorities to discuss factors Justice believes are highly relevant to the EU's determination. We understand that some differences remain, although these differences have narrowed. The Commission's final decision on the merger is due later this month.

Q: What is the U.S. position on the EU's approach to the Boeing-McDonnell Douglas merger?

A: We have closely followed negotiations between Boeing and the European Commission over the merger. The two sides have made progress in resolving differences; we believe that if they continue, they can find a satisfactory solution. Given the importance of a successful outcome, it is critical for the two sides to continue to work to find a solution.

We have continued to make clear to the European Commission our expectation that its decision on the merger must be made solely on objective antitrust grounds. As you know, the independent U.S. Federal Trade Commission, after a lengthy and intensive investigation, determined that the merger would not harm consumers. The FTC on July 1 ruled that the merger would not violate U.S. Antitrust Law, because it would not lessen competition that otherwise would have occurred in the aircraft industry. The unconditional approval followed an extensive and exhaustive investigation by the FTC, an independent agency whose decisions are not subject to review by the Congress or the President. We hope the EU will give considerable weight to these independent U.S. Antitrust authorities conclusions.

This issue has been followed very closely by the Administration because of the aircraft industry's importance to the U.S. economy and to our national security. This industry is our leading exporter and employs hundreds of thousands of workers in high paying jobs.

This merger is one of several that are occurring in response to the Defense Department's policy of encouraging consolidation in the Defense industry.

Q: (If Asked) What would happen if the EU denied the merger?

A: **It is premature to speculate. We are analyzing our options carefully.**

Let me reiterate what the President said on Thursday when he stated that he "was concerned about what appear to be the reasons for the objection to the merger."

Our independent Federal Trade Commission unconditionally approved the merger on July 1 after an extensive and exhaustive investigation. The FTC's ruling reflects the view that the merger should be judged based on its impact on consumers than its impact on competitors to Boeing. We believe that's the logic the European Commission should apply as well.

Additional Background Points :

The United States and the European Union share a commitment to sound antitrust enforcement. We have a solid record of antitrust cooperation with one another. This merger is a case involving global markets in which the fundamental antitrust concerns before our respective antitrust authorities should be the same -- whether the merger of these two American companies would harm consumers, in this case the airlines and military purchasers that buy the types of aircraft the companies produce.

The independent FTC determined that it would not. Key to the FTC's ruling was the conclusion that Douglas Aircraft Company, the commercial side of McDonnell Douglas, no longer exerts a competitive influence in the market for civil aircraft. Of the 40+ airlines interviewed by FTC staff, only two said they would purchase Douglas Aircraft in the future. The FTC's Chairman told the Washington Post that unanimity of opinion among prospective customers was "stunning" and said it would have made it impossible to sustain any legal challenge to the merger in court.

Most Recent POTUS Q/A's - 7/17/97

Q *Are you determined to make sure the Boeing-McDonnell Douglas deal goes through, even if it means a trade war with Europe?*

THE PRESIDENT: Let me say, I'm concerned about what appear to be the reasons for the objection to the Boeing-McDonnell Douglas merger by the European Union, and I think that it would be unfortunate if we had a trade standoff with them. But we have a system for managing this through the World Trade Organization and we have some options ourselves when actions are taken by Europe in this regard. I don't know that Airbus -- the Europeans have more people living on their continent than we do in the United States and I don't believe Airbus has an effective competitor in Europe. So I have mixed -- quite a lot of concern about what the Europeans have said.

But I think there is an orderly process for our handling this and I think we had better let the orderly process play itself out before we talk ourselves into a trade war. I think we're a long way from that and I think we'll probably avoid it.

THE WHITE HOUSE

WASHINGTON

July 21, 1997

MEMORANDUM FOR DISTRIBUTION LIST

FROM: Dorothy Robyn, NEC

SUBJ: EU Review of Boeing-McDonnell Douglas Merger

Attached is updated press guidance on the European Union's review of the proposed Boeing-McDonnell Douglas merger. Please call me at 456-2801 if you have any questions.

enforcement. We have a solid record of antitrust cooperation with one another. This merger is a case involving global markets in which the fundamental antitrust concerns before our respective antitrust authorities should be the same -- whether the merger of these two American companies would harm consumers, in this case the airlines and military purchasers that buy the types of aircraft the companies produce.

- The independent FTC determined that it would not. Key to the FTC's ruling was the conclusion that Douglas Aircraft Company, the commercial side of McDonnell Douglas, no longer exerts a competitive influence in the market for civil aircraft. Of the 40+ airlines interviewed by FTC staff, only two said they would purchase Douglas aircraft in the future. The FTC's chairman told the *Washington Post* that unanimity of opinion among prospective customers was "stunning" and said it would have made it impossible to sustain any legal challenge to the merger in court.

REVIEW & OUTLOOK

A 'Dangerous' Merger?

We wonder which body will be lost in space the longest—the Mir space mission or the European Union? Judging from the EU's determined effort to thwart the merger of Boeing with McDonnell Douglas, it appears the Europeans are striving to be out of it pretty much indefinitely.

Following a negative verdict from European Union competition "experts" this week, one EU source said it would take "a miracle" for the supposedly impartial regulators at the European Commission to condone the Boeing deal when it votes this Wednesday. With the EU prepared to levy fines against Boeing, restrict its dealings with European customers and suppliers and even seize planes, the White House is actively considering retaliatory measures. A trade war between the U.S. and Europe costing Europe far more than the U.S. seems likely unless Brussels backs down, or suddenly conducts a much-needed rethink of its dubious jurisdiction in this matter.

The audaciousness of an EU threatening to block the merger of two U.S. companies with no production facilities in Europe is extraordinary, particularly after months of carping about the "extraterritoriality" of the U.S. Helms-Burton law. Few knowledgeable people dispute the legitimacy of the "effects" doctrine, which permits states to legislate extraterritorially when goings-on elsewhere have certain, substantial negative effects at home. But Boeing's customers aren't complaining, and the idea that the "effects" of legitimate business operations of a company on a foreign competitor might fall within this doctrine is a concept that would subvert free trade if it should ever be embraced by the World Trade Organization.

The conduct of EU Competition Commissioner Karel Van Miert, who publicly objected to the merger before he had examined the proposal, looks more like that of a mugger than an impartial regulator. To be fair, Mr. Van Miert did go public with "concerns" about the merger. But their weakness only undermines his case.

He objects to the 20-year exclusive supply deals Boeing has with Delta, American and Continental airlines—in other words, to the fact that Boeing's customers like bulk discounts. He also objects to Boeing and McDonnell Douglas having built 84% of the commercial aircraft now in service,

an irrelevancy; and to the fact that the merged company will benefit from McDonnell Douglas's publicly funded defense research. This is a strange complaint given the fact that two of the four companies in Europe's Airbus consortium are still state-owned, and Airbus itself is subsidized.

In this case, as so often happens with competition policy, means are being mistaken for ends. It is consumers, not competitors, who deserve protection. Of course the Boeing merger will affect Airbus; Boeing wouldn't be doing it if it didn't think the deal would strengthen its ability to compete. But in a free market, companies compete by offering better products and lower prices, which is why none of Boeing's customers object. If the EU's position is that companies should never be disadvantaged by the actions of other companies, its consumers are in for a tough time.

There might be cause for concern if the world were obviously heading for a monopoly on the production of civilian aircraft. But with roughly 30% of the market, Airbus is no pygmy. And if Boeing decides to throw its weight around to the detriment of its consumers, that should only be good news for Airbus. Boeing will have to behave as long as market participation and entry are not restrained by legal barriers, the only sensible concern of competition policy.

Yet while preaching the virtues of perfect competition to Boeing, European governments continue to protect unnatural monopolies in industries such as the postal service, telecommunications, transportation and energy. This double standard was in evidence in the reaction Wednesday of German Economics Minister Guenther Rexrodt who, after objecting to the Boeing merger, demanded "full integration" of the European aerospace industry. Unlike Mr. Rexrodt, we don't think the structure of an industry is a matter for governments to decide.

What is clear is that the civilian aircraft market remains open to new entrants. That being the case, the merger between Boeing and McDonnell Douglas is an issue for shareholders. The principles of a free society suggest that, absent compelling reasons, governments ought not to interfere with the capitalist choices of consenting adults.

Wall Street Journal
July 21, 1997

Talking Points/Press Guidance on Boeing-McDonnell Douglas Merger
July 21, 1997

- Recent press reports indicate that the European Commission is preparing to prohibit the proposed merger between Boeing and McDonnell Douglas. Our understanding is that the decision is not final and that there is still time for the two sides to reach a compromise.
- The two sides have come a long way in resolving their differences. We believe it is critical that they resolve their remaining differences through negotiation and compromise.
- As you know, the independent U.S. Federal Trade Commission, after a lengthy and intensive investigation, determined that the merger would not harm consumers. The FTC on July 1 ruled that the merger would not violate U.S. antitrust law, because it would not lessen competition that otherwise would have occurred in the aircraft industry. This unconditional approval followed an extensive and exhaustive investigation by the FTC, an independent agency whose decisions are not subject to review by the Congress or the President. We hope the EU will give considerable weight to these independent U.S. antitrust authorities' conclusions.
- Earlier this month in Brussels, the Department of Justice and the Department of Defense conducted formal consultations with EU competition authorities under our 1991 antitrust cooperation agreement. The purpose of these consultations was to discuss factors that Justice and DoD felt were highly relevant to the EU's determination but that the EU may not have fully considered.

If asked, "What will you do if the European Commission votes next week to prohibit the merger of Boeing and McDonnell Douglas."

- First, it is premature to speculate; we are analyzing our options carefully.
- Second, let me reiterate what the President said on Thursday when stated that he was "concerned about what appear to be the reasons for the objection to the merger."

Our independent Federal Trade Commission unconditionally approved the merger on July 1 after an extensive and exhaustive investigation. The FTC's ruling reflects the view that the merger should be judged based on its impact on *consumers* rather than its impact on *competitors* to Boeing. We believe that's the logic the European Commission should apply as well.

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OES Press Guidance
July 21, 1997

PACIFIC SALMON

Q: What is the current status of the ferry blockade in Prince Rupert?

A: -- ON SATURDAY, CANADIAN FISHERMEN BLOCKADED A U.S. PASSENGER FERRY IN PRINCE RUPERT, BRITISH COLUMBIA. THE FERRY WAS BOUND FOR KETCHIKAN, ALASKA. AT THIS TIME, THE BOAT REMAINS BLOCKADED, AND THE PASSENGERS HAVE BEEN LET OFF.

-- ON SUNDAY, ALASKA OBTAINED AN INJUNCTION AGAINST THE BLOCKADE IN CANADIAN COURT. HOWEVER, CANADIAN OFFICIALS HAVE NOT ENFORCED THAT INJUNCTION.

-- THE U.S. HAS PROTESTED AND CONTINUES TO PROTEST THE BLOCKADE AND THE REFUSAL OF CANADIAN FEDERAL AUTHORITIES TO STOP IT OR TO ENFORCE THE COURT INJUNCTION.

-- CANADA MUST TAKE ACTION TO ENFORCE THE COURT'S INJUNCTION. THE BLOCKADE HARMS INNOCENT PERSONS WHO HAVE NOTHING TO DO WITH THE SALMON FISHERY. IT IS ALSO UNHELPFUL TO THE EFFORT TO GET THE SALMON STAKEHOLDERS PROCESS BACK ON TRACK.

Q: Will the U.S. retaliate?

A: -- WE ARE CONSIDERING OUR OPTIONS VERY CAREFULLY.

Q: Weren't the Canadian fishermen reacting to a perceived violation of the Pacific Salmon Treaty by Alaska?

A: -- CANADA'S POSITION ON THIS POINT REFLECTS A FUNDAMENTAL DISAGREEMENT OVER HOW TO INTERPRET THE PROVISIONS OF THE PACIFIC SALMON TREATY. IN OUR VIEW, ALASKA'S ACTIONS ARE ENTIRELY CONSISTENT WITH THE TREATY.

-- ALASKA HAS ALWAYS CAUGHT CANADIAN-BOUND SOCKEYE INCIDENTAL TO ITS CATCH OF PINK SALMON IN ITS TRADITIONAL PINK SALMON FISHERY.

-- THIS YEAR, STOCK ABUNDANCE HAS BEEN PARTICULARLY HIGH AND AS A RESULT THE CATCHES ARE UP.

-- THE RELEVANT POINT IS THAT THE RATIO OF SOCKEYE SALMON TO PINK SO FAR THIS SEASON IS CONSISTENT WITH - AND IN FACT IS EVEN WIDER THAN - AVERAGE RATIOS OVER THE PAST FIVE YEARS, WITH MORE PINKS TO SOCKEYE BEING CAUGHT. THE CATCH LEVELS REFLECT THE ABUNDANCE OF FISH, NOT A CHANGE IN FISHING PRACTICES OR A REDIRECTION OF ALASKA'S FISHERY TO TARGET CANADIAN STOCKS.

Q: But hasn't Alaska caught more than three times the number of fish they caught in this fishery last year?

A: -- I'M NOT GOING TO GET INTO SPECIFIC NUMBERS WITH YOU, OTHER THAN TO REITERATE THAT U.S. FISHERMEN ARE FISHING CONSISTENT WITH SOUND CONSERVATION PRINCIPLES. WHILE ALASKA MAY BE CATCHING MORE FISH THAN LAST YEAR, THEY ARE DOING SO ONLY BECAUSE THE STOCK ABUNDANCE IS CORRESPONDINGLY GREATER. IF YOU WANT EXACT NUMBERS, I WOULD ENCOURAGE YOU TO CONTACT THE STATE OF ALASKA OR THE PACIFIC SALMON COMMISSION.

Q: Didn't Canada deliver a protest note last Friday concerning the Alaska fishery?

A: -- YES. CANADA DID DELIVER A PROTEST NOTE. WE WILL BE RESPONDING TO THE CANADIAN NOTE SHORTLY.

Q: Has the United States formally responded to the Canadian request for binding arbitration to settle the salmon dispute?

A: -- NOT YET. WE EXPECT TO DO SO SHORTLY. AS YOU KNOW, WE HAVE REJECTED BINDING ARBITRATION IN THE PAST. IT POSES A NUMBER OF SERIOUS PROBLEMS FOR US. WE CONTINUE TO BELIEVE THAT THE BEST WAY TO SOLVE THIS ISSUE IS THROUGH THE RESUMPTION OF THE STAKEHOLDERS PROCESS.

DOLPHIN PROTECTION

July 17, 1997

Legislation has been introduced in both the House and Senate to implement the dolphin protection program of the Inter-American Tropical Tuna Commission (IATTC) which is among the best international conservation regimes in the world.

The "Panama Declaration" -- an international declaration adopted in Panama on October 4, 1996 - strengthens this program further. This legislation is supported by the Administration, the U.S. fishing industry and major environmental groups, including Greenpeace, Center for Marine Conservation, Environmental Defense Fund, National Wildlife Federation, and World Wildlife Fund. The Countries which have signed on to this declaration are Belize, Columbia, Costa Rica, Ecuador, France, Honduras, Mexico, Panama, Spain, the United States, Vanuatu, and Venezuela.

This international program will ensure that dolphin mortalities in the tuna fishery never exceed 5,000. Not long ago these numbers were in the hundreds of thousands. The nations involved have made a commitment to work toward a goal of eliminating all dolphin mortalities.

With over 9.5 million dolphins in the region, this level is five one-hundredths of one percent of the population. This level of mortality is significantly lower than the mortality limits established in the Marine Mammal Protection Act for fisheries in U. S. waters. Because the tuna fishery is conducted almost entirely by foreign vessels on the high seas or in their own waters, it can be regulated only by international agreement.

This program also protects the ecosystem as a whole. It avoids alternative fishing methods, such as setting on logs, which produce a high bycatch of juvenile tunas, billfish, sharks, endangered sea turtles, and other species, all of which tend to congregate around ocean debris. New information on bycatches during the 1996 fishing season reinforces the negative consequences of these alternative fishing methods.

The program is the most strictly enforced international conservation regime in the world. An internationally trained observer works on every boat.

For this international program to take effect, the United States needs to lift the tuna embargoes and define dolphin-safe tuna as tuna caught without killing any dolphins.

To ensure consumer confidence in the label and avoid confusion in the marketplace, other labels would not be allowed. This would mean that only tuna caught without killing any dolphins could be labeled as dolphin safe.

Currently, the House has passed H.R. 408 by a vote of 262-166 on May 21st. In June, the Senate Commerce Committee passed S.39, and it is now for Senate floor action.

If the legislation does not pass, we are likely to lose this valuable international program.

Current

POTUS-Yeltsin Energy Summit in 1998?

- Leaders of the Eight agreed in Denver to hold ministerial meeting on energy issues in Moscow in 1998, with results to be discussed at next Summit of the Eight (in Birmingham).
- Anticipate that President and Yeltsin will meet in 1998, but no specifics yet on date or venue.

Visits

- Azeri President Aliyev to visit Washington July 30-August 1; will see President August 1.

Shevardnadze Visit

- Shevardnadze had good visit, excellent discussions with President and Vice President.
- In July 18 meeting with President, Shevardnadze discussed political and economic reform in Georgia and Georgia's role in Eurasian Transport Corridor. President made clear strong U.S. support for continued reform steps and for Transport Corridor.
- Shevardnadze and President discussed Abkhazia separatist conflict. President said U.S. will work actively to promote resolution, including at July 23-25 UN meeting.
- Shevardnadze and President discussed other developments in/near Caucasus, agreed on importance of regional cooperation in Caucasus, including with Russia and Turkey.
- (see July 18 Joint Statement)
- (If raised) Georgia's handling of adoption cases was raised with Shevardnadze. United States hopes for early, fair resolution.

General

Russian Religion Law

- New law on religion passed by Duma and Federation Council (upper house of parliament); now with Yeltsin for consideration.
- President personally raised this with Yeltsin, expressed concern about implications of new law, stressed view that freedom of religion should not be restricted.

- In ongoing contacts with Russians, we are reiterating our conviction that guarantee of freedom of religion in Russia essential to democratizing society.

NATO-Russia

- Founding Act signed by NATO leaders and Yeltsin in Paris May 27 milestone agreement -- lays basis for robust and growing partnership between NATO and Russia.
- See Russia as partner of NATO in shaping more secure, stable and undivided Europe. That is good for United States, Russia and Europe. Now will work with Russia to give real substance to Founding Act.
- **First meeting of Permanent Joint Council held at ambassadorial level on July 18; agreed to ministerial level meetings in September and December.**

Prospects for START II Ratification by Russian Duma

- Believe Yeltsin committed to START II ratification by Duma.
- 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.

RUSSIAN MIR SITUATION
July 21, 1997

Background

NASA's Shuttle/Mir Program Manager Frank Culbertson will hold a press conference today at Johnson Space Center at 11:00 EDT.

Talking Points:

- The Russians have announced that the internal spacewalk to reconnect the power cables from the damaged module will be conducted by the replacement crew, due to arrive August 7 or 8.
- The French astronaut will not be aboard the replacement flight in order to make additional room for repair equipment.
- The current schedule for crew replacement and repair is as follows:
 - o August 5 Replacement crew (2 Russians) launched to Mir
 - o August 7-8 Replacement crew arrives at Mir
 - o August 14 Current Russian crew returns to Earth. (Foale to remain aboard Mir.)
 - o August 20 Internal spacewalk to reconnect power cables from damaged module. (Foale to remain in Soyuz capsule.)
 - o Sept. 3 External spacewalk to inspect -- but not repair -- damaged module and solar arrays. (Foale to remain in Soyuz capsule.)
 - o Sept. 18 (pending NASA review) Launch of Shuttle with U.S. astronaut Wendy Lawrence to replace Michael Foale. Shuttle could carry parts needed for repair of Mir.
- The President is being kept fully informed of the situation by his Science Advisor, Dr. Jack Gibbons.

Q: Will the United States keep sending astronauts to Mir? Is Wendy Lawrence still scheduled to replace Michael Foale?

A: NASA's current plans are to send Lawrence to Mir, but a final decision will depend on restoration of the power from the damaged module and on the results of NASA's internal and external reviews of Mir safety.

Q: Will the Administration grant Senator Glenn's request to fly on the Shuttle?

A: We are aware of his request. Any final decision will depend on NASA's determination of his flight readiness and whether there is an appropriate mission for him to accomplish on board.

Q. Isn't it time to seriously reconsider our **space** cooperation with Russia?

A. **This incident does not** call into question our joint work on the International Space Station. When we have our own station on orbit we will need to deal with real-time situations like this on-orbit. Also, the Shuttle/Mir program is only one facet of our space cooperation with Russia. We also work with the Russians in space science, earth observations, aeronautics and life sciences.

Most Recent POTUS Q/A's - 7/17/97

Q. -- the Mir critical now and are you giving second thoughts to ever sending another American be on the Mir spacecraft?

THE PRESIDENT: Well, when I came to the office this morning I got a briefing about it, and as far as we know right now, they have gotten control of things and there seems to be no immediate crisis. But I have no -- I'm not sure that I have all of the information I need. We have the -- that's the basic report I have now, and it's too soon after the incident for me to draw a conclusion about the question you ask. I can't say that we would not continue cooperation on what little I've heard this morning; I just don't know enough

IF ASKED

Q: What do we know about election results?

A: The July 19 election went well. There was a large turnout and although there have been some charges of irregularities, voting seems to have been orderly throughout the country. Some early results have been made public. We do not expect to see final results before tomorrow.

Q: Were they free and fair?

A: The balloting took place with good security and in an atmosphere that was calm. By all accounts, a large number of people went to the polls. The Liberian people and the election organizers deserve credit for the orderly way the election was conducted. Since there are reports of charges that irregularities took place, and since the international observers have not made final conclusions, it is premature to give a final judgment about fairness.

Q: Did the U.S. send an official election observer delegation?

A: No. Presidential Special Envoy for Liberia, Ambassador Howard Jeter, accompanied by officers at the Embassy in Monrovia, were present at some of the polling sites. There was a 43-member observer group from the Carter Center, and a group of some 30 more Americans called the Friends of Liberia.

Q: Why was Jimmy Carter there?

A: President Carter and the Carter Center have a longstanding interest in bringing peace and democracy to Liberia. The Carter Center has been very active in Liberia and the former President and Mrs. Carter, accompanied by former Senator and Mrs. Paul Simon, led a 43-member team of observers including 32 Americans.

KENYA
July 21, 1997

Q: Has there been recent violence in Kenya?

A: We have no reports of violence in Kenya since the clashes between students and police in Nairobi last week. Police did not interfere with a memorial service Friday for victims of violence earlier in the month.

Q: What is the U.S. view of the Government's statement that it will enact reforms in this Parliamentary session (before elections) and President Moi's decision to "automatically" license rallies except under exceptional circumstances?

A: The statement by Vice President Saitoti that the ruling party, KANU, had agreed to amend 11 laws targeted for reform by the opposition is extremely encouraging. We also see recent steps toward dialogue between the Government and opposition as positive.

Most of the laws identified by the opposition for repeal or revision relate to government powers over such basic freedoms as speech and assembly. Concrete steps to amend these laws, especially if implemented by the Government in a democratic spirit, would constitute real progress towards a free and fair electoral climate. Real action on these issues would also do much to restore a climate of civil peace in Kenya.

We believe that a dialogue on reform needs to be made as inclusive as possible. The Government of Kenya needs to work with the broadest possible representation of pro-reform forces if the country is to find a lasting solution to political violence.

President Moi's announcement Wednesday that licenses for public rallies will be issued automatically, except under "exceptional circumstances," pending revision of the Public Order Act is also a positive step. More important, however, given that opposition groups have said they will not apply for licenses at all, is that the Government not respond with force to any peaceful public gathering, licensed or unlicensed.

Q: Is the U.S. concerned that the Kenya Government will make only cosmetic reforms in an effort to deflect pressure and divide the opposition (Washington Post, 7/21/97, p. A18).

A: We are encouraged by the government's stated determination to move forward as rapidly as possible on democratic reforms. Donor embassies in Nairobi, including ours, have set out explicit criteria for the democratic reforms necessary for free and fair elections. These will not be cosmetic changes.

To produce a real solution to political violence, however, the process of reform needs to be inclusive. The government needs to engage the most representative elements of the political opposition and democratic reform movements in dialogue, even as it takes action on easily identified areas of reform.

Q: What is the U.S. reaction to African leaders' support for Kabila and denouncement of the UN investigation? What does the U.S. think about the summit's proposal to have a neutral, independent commission to examine allegations?

A: We understand that the communiqué issued following the July 20 summit in Kinshasa welcomed the setting up of a neutral and independent UN commission to investigation alleged violations of human rights.

The UN Secretary General is in the process of organizing just such an investigation. There will be no compromises in the impartiality and integrity of the investigative mission.

We understand that preparations are going well and that the UN will announce the team shortly.

We believe, as does the Secretary General, that it is crucial to get an impartial investigative team on the ground as soon as possible. President Kabila has told us that the DROC will facilitate the team's work, and we expect that will be the case.

We share the view of the DROC that the human rights situation in eastern Congo should be examined in its full context, beginning with the 1993 allegations of human rights violations.

MEXICAN IMMIGRANTS

July 21, 1997

Q: What is the status of the New York deaf immigrant case in New York?

A: Four individuals have been arrested by local New York City authorities in connection with the case and remain in NYC custody. It is believed that that there are approximately 60 individuals in the group that was part of this operation; most of them appear not to have valid immigration status in the United States. The United States Attorney and the INS are conducting a joint investigation into the case with a view towards possible federal prosecution.

BOSNIA
July 21, 1997

RS Power Struggle/Plavsic Expulsion from SDS

- We continue to monitor the political developments in Republika Srpska and the situation involving Republika Srpska President Plavsic and the Pale hardliners. The challenge to the authority of the elected president is clearly an attempt to avoid implementing Dayton.
- **We are not surprised that the SDS and President Plavsic have parted ways. This does not in anyway change to powers or authorities of President Plavsic. We hope and expect this can help foster the start of a genuine democratic process in Republika Srpska and a viable opposition to the hard-line nationalist leadership of the SDS.**
- We support the rights of the legitimate democratically elected authorities to exercise their appropriate powers. The OSCE and the High Representative, among other experts, have concluded that Mrs. Plavsic's actions are legitimate and authoritative. We fully accept that judgment. We note that thousands of Bosnian Serbs have taken to the streets of different cities in Republika Srpska in support of President Plavsic.
- The legitimate authorities and institutions of Republika Srpska must be respected and that Radovan Karadzic should be handed over for trial in the Hague.
- We are calling for a diffusion of tensions and demanding that President Plavsic have full access to media in Bosnia; for the Special Police to stand-down from the current crisis; and for all police to cooperate fully with the International Police Task Force in restructuring and reform. **We have told the RS authorities to end their media campaign of propaganda and disinformation that is exacerbating tensions in the RS.**
- The international community will not tolerate the use of force or violence as a course of action in the current situation.
- In response to the uncertainty, SFOR has increased its alertness and presence in the Banja Luka area in order to better maintain security and stability.

Force Protection/Risk of Bosnian Serb Reprisals

- Protection for our troops is always a priority. Our security posture is appropriate to the situation on the ground. We are constantly evaluating it and will adjust it if we need to. I am not going to discuss the specifics of our security precautions.
- Tensions remain in some areas of Republika Srpska. We have clearly communicated to the RS leadership our expectation that they must calm their people and get on with the business of implementing Dayton, including handing over war criminals.

- We are concerned about the a recent string of incidents of violence or harassment. There have been a a number of explosions targeted at international organizations, including the OSCE, IPTF and SFOR. We are grateful no one has been seriously injured. There is no evidence that the central RS authorities are directing these attacks.
- All the parties must understand that they should not challenge SFOR. We will hold the Parties' leadership responsible for keeping their people under control.
- They should know we would deal very effectively, very swiftly with a forceful response. We'll do what we have to do to protect our troops.

Has the policy changed on SFOR ending its mission in June 1998?

- The President has repeatedly said that the SFOR mission will end in June 1998.
- The critical question is what we do between now and then. We have to focus our energy on assisting the parties with full implementation: common institutions, refugees, economics, war criminals and police training.
- What role, if any, NATO plays, in or out of Bosnia, after June 1998 has not been decided — let alone what role we would play.

If asked whether we absolutely ruling out United States troops in Bosnia after June 1998

- SFOR's mission should end on schedule in June 1998. US political and economic engagement will continue well beyond that.
- It is too soon to speculate as to what, if any, role there may be for NATO following the completion of SFOR's mission. Our focus is on intensifying civilian implementation across the board so that parties themselves can assume greater responsibility for their own future after SFOR's mission is completed.

Is SFOR is planning to detain Karadzic or Mladic or other indictees?

(Dole/Lieberman Press Conference)

- We continue to remain deeply concerned with the presence of war criminals in Bosnia, including Karadzic. We remain concerned about his potential influence -- in violation of agreements that he not be involved in political life -- and will not be satisfied until he is brought to justice in the Hague.
- The recent action by SFOR is an important 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.
- SFOR is authorized to detain war criminals encountered in the course of its regular duties and if the tactical situation permits. SFOR has no plans to hunt war criminals.

- The recent SFOR operation conformed to what is described above. These indicted war criminals had been encountered in the course of SFOR's regular duties. Of course, any indicted war criminals would be subject to detention in such circumstances.
- It is the Parties who bear the responsibility for turning over war criminals. We continue to press the Parties to live up to these obligations.

French Objected to Second War Criminals Operation? (NYT)

- The SFOR action was conducted under existing NATO authority that had been approved by all NATO allies. Having encountered these individuals in the course of their regular duties, SFOR concluded they should detain these individuals; NATO political authorities agreed with that view.
- That was the extent of this operation and it is concluded. Of course, any indicted war criminal is subject to detention under these procedures (if encountered in the course of regular duties and the tactical situation permits). All participating SFOR forces operate under these procedures.
- All allies are committed to seeing that indicted war criminals are brought to justice. We have enjoyed close cooperations with the French on all aspects of our shared efforts in Bosnia.

(if pressed, cannot comment on possible future operations)

Milosevic Named FRY President?

- The July 16 action by the Serbian Parliament to name Slobodan Milosevic as the new FRY President comes as no surprise and will not change our relationship with Belgrade. It remains that Serbian authorities must do more on a variety of issues before we can make progress with our relationship.
- These issues include facilitating Bosnian Serb compliance with Dayton, cooperating with the International War Crimes Tribunal, and recognizing the rights of the Kosovar minority in Albania.
- Until we see progress in these areas, there will be little if any improvement in the relationship and Serbia will remain isolated from a prosperous and free Europe.

Amendments 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

CUBA
July 16, 1997

Human Rights Activists Arrested

Q: What is your reaction to the Cuban government's arrest of four leading human rights activists in Havana?

A: The members of the Dissident Working Group -- Vladimiro Roca, Rene Gomez, Marta Beatriz Roque and Felix Bonne -- were detained on Wednesday and have not been released. Their homes were searched, and personal property was confiscated.

A Cuban government spokesman has alleged that they were involved in "counter-revolutionary" activity. In fact, they are being victimized because they are peacefully seeking to exercise fundamental rights guaranteed by the Universal Declaration of Human Rights, to which Cuba is a signatory.

The USG strongly condemns the arrests and calls on the Cuban government to release these individuals and to respect fundamental human rights.

Note to Briefer :

It is important that no link be made between the arrest of dissidents and the Migration Talks being held in New York.

Q: Why did the President waive Title III?

A: The President allowed Title III to go into force last August but suspended the provision allowing U.S. claimants to file suit in order to give us time to work with our allies on a coordinated multilateral strategy to promote peaceful democratic transition in Cuba.

That strategy has produced unprecedented results. The international community has become more united and more active than ever in its commitment to promote democracy in Cuba.

When President Clinton extended the suspension for six more months in January, he said that he expected to continue suspending in the future as long as our friends and allies continued their stepped-up efforts.

That progress has continued: our friends and allies have taken additional concrete steps to promote democracy ... and the Castro government is more isolated than ever.

Extension of the suspension is the best way to achieve the goals of U.S. policy as well as the Helms-Burton Act -- to accelerate the day that the Cuban people can live in a free democratic society.

Claim that U.S. Persons Linked to Hotel Bombings

[Background: The Cuban government released a statement on Saturday claiming that it had evidence that individuals and explosive devices from the United States were involved in the bombing Saturday of two Havana hotels. The attacks, the most serious in three decades, left three persons injured. FYI, initial rumors that a bomb may have been involved in the crash of a Cuban domestic airplane the night before have faded.]

Q: Any comment on the Cuban claim of possible involvement of U.S.-based individuals in the bombings?

A: We have asked the Cuban government to provide us any information or evidence it may have to support its contention.

Do not have any information linking U.S. persons to the bombings.

We seek a peaceful transition to democracy in Cuba and do not in any way condone the use of violence to achieve that goal.

CAMBODIA
July 18, 1997

Q: How does the announcement that Cambodian Foreign Minister Ung Huot is the new FUNCINPEC candidate for First Prime Minister affect U.S. policy?

A: The announcement has little affect on U.S. relations with Cambodia. We consider Norodom Ranariddh to be still the official First Prime Minister until he has been replaced through the procedures set out in the Cambodian constitution -- i.e. that the First Prime Minister is chosen democratically by the party that won the most recent (1993) election -- FUNCINPEC -- through proper procedures and free of coercion and intimidation; and that he is approved by the King. We urge the Cambodian Government to respect these procedures. We have worked with Ung Huot (PRON: OONG WHOT) in his capacity as Foreign Minister and respect him.

Q: Other countries seem to believe this appointment will "legitimize" Hun Sen. Does the U.S. agree?

A: We remain deeply concerned at both the way a democratically-elected government was destroyed by military force, and outraged by a series of executions and arrests of FUNCINPEC supporters in the aftermath of the fighting. While we are gratified that the party that won the 1993 election will retain some positions, we urge that the appropriate democratic procedures be followed. As we have said, the imposition of a dictatorship in the disguise of a coalition is not an acceptable outcome, nor is it consistent with the Paris Accords.

Background: Yesterday, those members of FUNCINPEC who remain in Cambodia chose Foreign Minister Ung Huot as their candidate to replace Ranariddh as First Prime Minister in Cambodia. That may be confirmed at a FUNCINPEC party meeting later this month. . There also are reports that Ranariddh is preparing to appoint a successor.

Q: What is the status of events in Cambodia?

A: The situation in Phnom Penh remains calm. Sporadic, low-level violence continues in the northwest. The majority of those Americans wishing to leave Cambodia have already done so. The U.S. Embassy will be down to its reduced staff level by July 20. The State Department task force on Cambodia has been disbanded.

[IF ASKED ONLY about US forces at Utapao] U.S. forces in Thailand brought in to assist in case of a need for emergency evacuation are being redeployed.

Q: Should Secretary Albright have met with Hun Sen and Ranariddh during her recent trip, in order to counsel against violence?

A: The Secretary made repeated efforts to arrange a meeting with the two co-Prime Ministers in conditions that were acceptably secure. We were well aware of the deteriorating

security situation in Phnom Penh. In the end, Ranariddh and Hun Sen refused to meet with her, indicating that they both were more focused on their internal struggle than on accepting advice from the international community.

Q: Will U.S. continue to provide economic aid to the Hun Sen government?

A: We have suspended most of our aid programs for 30 days while we conduct an intensive review of all our programs. Some basic human needs programs are still being funded. We are consulting with other donors about their programs of assistance. At the end of the 30 days (August 9), depending on the circumstances at that time, we would anticipate resumption of those programs that provide humanitarian, people-to-people support. We do not intend to resume a full aid program until our five principles are met (end to fighting that overturned democracy; FUNCINPEC free to operate; free and fair elections in 1998; maintain Paris Accords; no Khmer Rouge in the government).

Q: What about reports of executions and illegal arrests of opposition members?

A: Although many of these reports are vague, we nonetheless are very concerned about this, and have made clear to senior Cambodian leaders that this is unacceptable. We are also concerned about reports of intimidation of Cambodians who have been working to build a civil society, labor organizers and journalists.

Q: Will you support Ranariddh in mounting an armed opposition the the Cambodian government?

A: Officially, we still recognize Ranariddh as First Prime Minister, and treated him as such in meetings with senior State Department officials last week. We continue to urge both sides to reconcile differences peacefully, avoid violence, maintain the Paris Accords, and continue plans for democratic elections in 1998. We also remain opposed to any role for the Khmer Rouge in Cambodia's government.

Q: Is the Administration now endorsing the addition of three new permanent members to the UNSC?

A: The UNSC currently has 15 members -- 5 permanent with vetoes (U.S., UK, France, Russia, China) and 10 nonpermanent that rotate every two years. We continue to work toward an expanded council, including permanent seats for Germany and Japan, up to a maximum of 20-21 members. Of those 20-21 members, we would be willing to accept 3 permanent seats -- one from Asia, one from Africa, and one from Latin America. Ambassador Richardson briefed a number of countries on our position yesterday. We believe that the regions themselves should decide how those seats should be filled, possibly on a rotating basis. We expect that part of process, which is still very much under discussion, will not be completed until next year.

Q: What about granting the veto to new members or limiting the veto for existing permanent members?

A: There will be no infringement on veto rights for existing permanent members. We have not yet taken a position on extending any veto rights for new permanent members.

Q: UNGA President Razali and others say that limiting the expansion to only 20-21 members is unrealistic, and that the U.S. should agree to expand to 24 or 26 or more. Why won't we accept these proposals?

A: Any more than 20-21 members on the UNSC would seriously hamper its efficiency and effectiveness. We cannot and will not support expansion beyond 20-21.

Q: Annan's reforms don't meet all of the benchmark conditions laid out by Congress for payment of U.S. arrears. Does this mean the arrears deal is dead?

A: The package announced by Annan does make progress toward some of the benchmarks. We have known all along, however, that many of the benchmarks require member state action beyond the Secretary General's purview. We will be working with our allies and other member states in coming months to ensure that the other benchmark conditions are met.

Q: Some on the Hill have argued that this package doesn't go far enough and proves that the U.S. must enforce discipline on the UN. Do you agree?

A: The UN is made up of 185 member states. We can best advance our interests in the UN by working with other member states. Strict unilateralism will only serve to alienate us from our allies and others whose support is necessary to fully reform the UN.

Q: Does this package represent the status quo as some on the Hill have argued?

A: Not at all. If implemented, the Secretary General's proposals should ensure significant change at the UN. While we have yet to review all the details of the proposals, we support the emphasis on improving management, reducing overhead and total costs, and sharpening the focus of the UN on its core missions. We were heartened to see the positive editorials in the New York Times and Washington Post that acknowledged the importance of these reforms.

Q: What do you think about the proposal for a new revolving credit fund?

A: The UN has experienced significant cash flow problems and needs to find a mechanism to overcome them, but this proposal needs to be carefully examined.

Q: What do you think of proposals to raise the profile of UN efforts in the areas of disarmament and proliferation as well as counternarcotics and international crime?

A: We support the UN's move to make itself more relevant by addressing concerns that we consider of utmost importance.

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.

Q: What is your reaction to July 15 incident in the DMZ? Will it have an effect on the August 5 four party preparatory talks in New York?

A: North Korea bears full responsibility for the incident in the DMZ. The United Nations Command has filed a complaint with the North Koreans at Panmunjom. The incident underscores the importance of the four party process which will get underway August 5.

Q: Can you confirm that former Senator Nunn and former Ambassador Laney will visit North Korea?

A: Yes, Former Senator Sam Nunn and former American Ambassador to South Korea James Laney plan to pay a private visit to North Korea 20-22 July and South Korea 22-24 July to discuss Korean Peninsula issues.

The trip is private, and is occurring at the invitation of North Korea. U.S. officials have briefed Senator Nunn and Ambassador Laney on Korean peninsula issues. We of course look forward to hearing their impressions on their return.

Q: What is your reaction to recent statements by international groups that the famine in North Korea is worsening?

A: The food shortages in North Korea inflict a horrible cost on the North Korean people who already are suffering from impoverishment. The international community has responded generously to calls for emergency humanitarian assistance, and the United States has contributed some \$50 million to the UN World Food Program appeals.

We are participating in the current WFP food appeal through the contribution of 100,000 tons of food. But the long term answer is not short-term food aid; the North's prospects for agricultural production sufficient to feed itself will only improve through structural economic and agricultural reform. That reform can be greatly assisted through the four party peace talks, which we hope to launch in August.

U.S./ROK/DPRK Talks

Q: The United States and North Korea met in New York July 2 for bilateral talks. What was the substance of the discussions and were there any results?

A: The United States and North Korea met as part of our on-going effort to address issues of concern to both sides, as called for in the Agreed Framework. The talks were not related to the 30 June trilateral meeting between the United States, South Korea and North Korea that discussed four-party peace talks issues. The two sides discussed a wide range of issues, from missile talks and MIA concerns to the food situation in North Korea. The talks were informational in nature and will continue at the working level in the future.

Q: What is the significance of the preparatory talks that were announced 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.

If Asked:

Q: What is China's reaction to the announcement by the United States, South Korea and North Korea that four-party preparatory talks involving China will start August 5, in New York? Has China agreed to participate?

A: China previously endorsed the four-party process and recently has issued a statement welcoming the agreement reached June 30.. In its statement China agrees to participate in the four-party talks and continue to cooperate and play a constructive role in the process of establishing a peace mechanism for the Korean peninsula. We welcome China's positive statement and look forward to the contribution it will make in the talks.

Q: Has the U.S. interviewed the North Korean defector Hwang? What is your assessment of his information?

A: The U.S. routinely is given access to North Korean defectors by the South Korean government. Trained U.S. intelligence professionals conduct interviews of the defectors. In the case of Hwang, we recently sent a team to Seoul to interview him. We are in the process of evaluating the information Hwang has provided. It would be inappropriate to comment on the substance of Hwang's comments before that evaluation is complete.

Background

- The President has nominated General Shelton to be Chairman of the Joint Chiefs of Staff.

Points to be Made

- The President has met General Shelton on several occasions and is well aware of his outstanding performance as commander of a unified command (USCINCSOC) that has been engaged in every major joint operation conducted by U.S. forces since the end of the Cold War.
- The President believes that General Shelton is superbly qualified to be Chairman.

Questions and Answers

Q. Has the President ever met General Shelton? How well does the President know him?

A. The President has met General Shelton several times over the past four years. The President met General Shelton while he was the Commanding General of the 18th Airborne Corps, planning Operation Uphold Democracy in Haiti, and personally awarded him the Army Distinguished Service Medal for his service as Commander Joint Task Force Haiti. Other occasions when the President met General Shelton, including two meetings the President had with all of the Joint Chiefs and Commanders in Chief, dealt with important national security issues.

Q. What was General Shelton's role in Haiti?

A. As the Commanding General of the 18th Airborne Corps, General Shelton played a crucial role in planning Operation Uphold Democracy, which restored hope and freedom to Haiti. And as Joint Task Force Commander for the actual operation, he oversaw our last-second shift from a forced entry to a peaceful arrival. Our mission in Haiti was a model of joint action. It proved that our military's will to fight for peace is as great as its ability to prevail in war. Thanks in large part to General Shelton's skilled, determined leadership, America got a tough job done, and helped the people of Haiti return to the path to democracy.

Q. Was General Shelton responsible for the losses suffered by U.S. special operations forces in Mogadishu during the operation in Somalia?

A. No. General Shelton did not command the special operations forces involved in the Somalia operation. At the time he was Commander of the 18th Airborne Corps.

Q. As a Senator, Secretary Cohen was a leading proponent of special operations forces and co-sponsored the legislation that created the Special Operations Command. Did that influence his advice to the President on nominating General Shelton for Chairman?

A. Secretary Cohen recommended General Shelton because he is superbly qualified to be Chairman. The President shares that view and believes General Shelton has the knowledge and judgment needed to advise him on the very best way to defend America's interests and to protect our men and women in uniform.

Q. Is his career in special operations too narrow a background for the broad responsibilities he will have as Chairman?

A. Not at all. It is a misperception that special operations forces have a narrowly focused role; their missions are at least as broad in scope as other U.S. forces. Special operations forces have served in every major joint operation since the end of the Cold War, ranging from Desert Storm to Haiti to Bosnia. They provide a wide range of capabilities essential for our strategy of engagement, and for dealing with transnational dangers, such as terrorism, drug trafficking, and proliferation of weapons of mass destruction. Thus, General Shelton's experience as USCINCSOC is excellent preparation for dealing with the issues he will face as Chairman.

Q. Will General Ralston be serving a second term as Vice Chairman?

A. General Ralston has been an outstanding Vice Chairman. The Secretary of Defense has not yet made a recommendation as to a second term.

THOMPSON HEARINGS

July 21, 1997

Q: What about Senator Thompson's allegation that White House officials not only knew about possible PRC involvement in campaign funding from an FBI briefing of NSC officials, but knew or should have known from other sources or indicators as well?

A: The issue raised by Senator Thompson concerning the FBI briefing of two NSC officials about China's alleged attempt to fund U.S. political campaigns has already been thoroughly reviewed.

The contemporaneous notes of one of the NSC participants, a career FBI special agent, clearly reflect that the NSC officials were asked not to disseminate this material. The decision not to disseminate, however, was made without reference to the FBI request. Hindsight would have obviously yielded a different decision.

As to the Senator's remarks that the White House had independent access by other means to the FBI-briefed allegations of possible illegal activity, we can find nothing to substantiate his assertion.

Q: What about the Senator's assertion that the PRC has undertaken efforts to influence U.S. elections in violation of U.S. law?

A: As the President said before it would be a very serious matter for the United States if any country were to attempt to funnel funds to one of our political parties for any reason. The Vice President and the Secretary of State brought this issue to the specific attention of the government of China during their visits this spring.

The Department of Justice has an ongoing investigation on these issues; I understand they have drawn no conclusions.

Q.: Did Huang meet with Sandy Kristoff in September '94 on APEC?

A.: At the time, Sandy Kristoff was working for the NEC on APEC issues. In the fall of '94, in preparation for the Jakarta APEC Leaders Meeting, Ms. Kristoff's office handled the logistical arrangements for a number of inter-agency meetings to prepare for the President's trip to Jakarta. These meetings were sometimes chaired by Ms. Kristoff, sometimes by others, e.g. those responsible for scheduling. It is likely that Mr. Huang was cleared into the White House under Ms. Kristoff's name for one of these meetings.

Ms. Kristoff has no recollection of ever having met with Mr. Huang; he played no role in the policy issues that she worked on.

KUWAIT
July 16, 1997

Q: What can you tell us about the Administration's involvement in the Kuwaiti artillery deal?

A: Yes, the Vice President wrote a letter recommending our equipment.

Yes, we are encouraging the Kuwaitis to buy from us, because we believe we have the best equipment to offer.

IRAN
July 10, 1997

If asked :

Q Any reaction to reports that the Administration is pursuing a new policy on Iran?

A The Administration has not undertaken any new initiative with respect to Iran -- our policy remains unchanged.

From the beginning of the Administration, we have been deeply concerned with Iran's support for terrorism, its efforts to acquire weapons of mass destruction and its opposition to the Middle East process -- and we have taken a number of steps, including tightened sanctions, to put pressure on Iran to change its behavior.

At the same time, we have always said that we are open to a dialogue with Iran, in which all of the issues between us could be discussed. Iran has not been willing to engage in such a dialogue.

The President has said that the election of Khatemi as President is an interesting development and a possible indication that the people of Iran want change. We would welcome change in Iran's policy in the area of concern to us, and we will be watching their actions carefully.

RWANDA
July 18, 1997

The arrest and extradition of seven additional suspected leaders of the 1994 Rwandan government is an encouraging and positive development.

The USG congratulates the Government of Kenya and the International Criminal Tribunal for their diligent work on this matter.

We recognize and support the positive momentum that is building to continue the process of bringing suspected genocidists to justice.

Q: Is the U.S. military training the Rwandan military for counterinsurgency activities?

A: No, a 10 man special army operations group is in Rwanda and will begin its training today as part of a Joint Combined Exchange Training (JCET) program lasting until August 30.

This JCET is aimed at professionalizing the Rwandan military. The U.S. Government position is that we should assist those in the leadership of the Rwandan army who are committed to the creation of a smaller, more disciplined and apolitical army.

This exercise will focus on the rule of law, military conduct, human rights, emergency medical care and other forms of leadership training for non-commissioned officers and company grade junior officers.

The instruction will be in the classroom and will train the instructors. The training consists entirely of non-lethal training.

There are no weapons involved and no maneuvers will be conducted.

The JCET program is the second of two such programs, the first occurring in July 1996 and involving 12 U.S. troops conducting similar non-lethal training.

TAIWAN
July 15, 1997

Q: Can you confirm Hong Kong press reports that Lee Teng-hui has requested a transit visa to transit the U.S. enroute to Central America in September? What would the U.S. position be on such a request?

A: We have not received a request from the Taiwan authorities for Lee Teng-hui to transit the United States.

Permission for transits by Taiwan's senior leaders, for the safety, comfort and convenience of the traveler, is granted on a case-by-case basis.

Background For Briefer

- In the Quadrennial Defense Review (QDR) Report, SECDEF requested two more BRAC rounds in 1999 and 2001 in order to increase procurement funding for modernization of the armed forces.
- The President has made previous public statements that he supports the DoD request for two more BRAC rounds.
- BRAC is politically unpopular on the Hill. Some Members of Congress have linked their opposition to the President's 1996 decision to privatize in place two Air Force maintenance depots identified for closing in the 1995 BRAC round.

Points to be Made

- The Administration is very disappointed in the Senate's decision not to allow two more BRAC rounds as requested by the Secretary of Defense.
- Previous BRAC rounds did not reduce DoD infrastructure proportional to reductions in force structure. We are spending millions of dollars on bases we do not need. Those funds are urgently needed to increase procurement in order to ensure that the U.S. armed forces maintain their technological superiority in the 21st century.
- Selecting bases for closure or consolidation is painful, but not nearly as painful as the tragic consequences that could arise if our sons and daughters in the military are forced to fight the next conflict with aging, obsolete equipment.

Questions and Answers

- Q. Some Members of Congress have linked their opposition to the President's 1996 decision to privatize in place two Air Force maintenance depots identified for closing in the 1995 BRAC round. Is the President willing to reverse his decision in order to gain support for additional BRAC rounds?
- A. No. That linkage is based on the false premise that the President's decision in some way interfered with the BRAC process. The 1995 BRAC report clearly stated that privatizing the depots was an option. The Air Force and DoD agreed that privatization had the advantage of avoiding the disruption of services that would occur if their work load were transferred to other depots. The decision to privatize the two depots was entirely consistent with the BRAC Commission's recommendations and therefore is not a valid reason for opposing further BRAC rounds.

Q. Would the President veto the Authorization Bill because of this?

A. It is too early to be talking veto. The Administration is continuing to work closely with the House and Senate to ensure that authority for two more BRAC rounds is included in the final Authorization Bill.

Q. Do you have any reaction to the claim that DoD cannot accurately quantify the savings from previous BRAC rounds?

A. You will have to refer that question to DoD for the details on BRAC savings. But it is not grounds for deferring future BRAC rounds, which would only result in scarce Defense dollars being spent on bases we don't need and cannot afford. It is also a very short-sighted view. Closing bases does entail expenses, such as for moving military units to other bases and environmental cleanup. So over the short term, the savings are small. But once those one-time, up front costs are paid, DoD is permanently relieved of the costs of maintaining and operating those bases. There is no question that over the long term two additional BRAC rounds would indeed save funds badly needed for procurement.

Most Recent POTUS Q/A's - 7/11/97

Any reaction to the Senate's rejection of your base-closing proposals?

- *In the Quadrennial Defense Review (QDR) Report, Secretary Cohen asked for two more BRAC rounds in 1999 and 2001 in order to increase funding for modernization of the armed forces.*
- *I have already said that I support this request.*
- *I am very disappointed in the Senate's decision to block this request.*
- *We are spending millions of dollars on bases we do not need. Those funds are urgently needed to increase procurement in order to ensure that the U.S. armed forces maintain their technological superiority in the 21st century.*
- *Selecting bases for closure or consolidation is painful, but not nearly as painful as the tragic consequences that could arise if our sons and daughters in the military are forced to fight the next conflict with aging, obsolete equipment.*

LATIN AMERICA

July 10, 1997

If asked about Washington Times story saying we are close to lifting our Latin America arms embargo:

- Our policy remains under review.
- No decisions have been made.

Latin American arms transfer policy

Q: Has the President decided to permit the sale of advanced fighter aircraft to Chile?

A: The President has decided to authorize the state department to issue marketing licenses in order to allow companies who wish to compete for Chile's prospective purchase of advanced fighter aircraft to participate in the process. A decision has not yet been made, however, on whether to permit such sales to Chile.

Q: Does this mean the policy on arms transfers to Latin America is still under review?

A: Yes. In light of the changes underway in Latin America, the administration has been taking a very careful look at its policy on advanced arms transfers to Latin America and whether it should move to a case-by-case review of requests to transfer advanced arms to Latin America. That policy remains under review. However, Chile's process for deciding which fighter aircraft to purchase has already begun. In order not to prejudice U.S. companies from competing for the sale while the policy review continues, the president decided to authorize companies to at least participate in the current technical stage of the bidding process.

Q: What were the president's reasons for this decision and how does it fit in the administration's overall policy toward Latin America?

A: For many years, the United States has exercised a policy of restraint related to arms transfers to Latin America, particularly of advanced weapons systems. This policy of restraint was imposed at a time when military governments dominated Latin America and when there was considerable tension between some Latin American states. The policy reflected U.S. desire to reduce conflict and avoid an arms race in the region.

Now democracy is taking hold in all but one country in the hemisphere, a remarkable achievement, and economic integration and political cooperation are making great advances. As a result, tensions have diminished and the risk of inter-state conflict among neighbors is lower than it has been in decades.

Our main goals in Latin America are to promote and strengthen these democracies, to support the economic and social development of the hemisphere's citizens, to encourage growth, expand trade and assure access for American exports, and to cooperate on counternarcotics and other fields. We are also committed to promoting restraint in arms purchases, confidence-building and transparency measures among countries in the region.

Q: When will the president make a decision on whether US companies can actually sell fighter aircraft to Chile?

A: The administration will continue reviewing the matter and will ultimately make a decision based on several factors, including the sale's impact on regional stability and restraint and consolidation of democracy.

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 other 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 would not be helpful in maintaining the balance in our current policy between national security interests and economic competitiveness.

U.S. High Performance Computers/China

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.

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.

Most Recent POTUS Q/A's - 7/11/97

Your administration has announced it will tighten the rules on sales of supercomputers to entities that secretly produce nuclear weapons. Isn't this too little, too late?

- *Of course not. We have to make sure that U.S. technology doesn't help foreign nuclear weapons programs. Even when proliferation has already taken place, limiting the flow of technology can limit further development.*
- *At the same time, the growth and spread of high technology, such as computers, make absolute controls impossible. The list we published is designed to let U.S. exporters know about the particular "end-users" that concern us without interfering*

with our legitimate commercial transactions with these countries.

Why does your administration oppose amendments to the Defense Authorization bill that would legislate these kinds of export controls?

- My 1995 decision to streamline computer export controls was based on an assessment of technological trends and national security concerns. Overall, the new system has worked well. It has helped increase U.S. computer exports for peaceful purposes, while blocking exports to proliferation programs.
- Additional controls as proposed by some in Congress are unnecessary and could upset the balance in our current policy, which makes sure we are defending both our national security interests and economic competitiveness.

SWISS GUARD

July 17, 1997

Background: In late 1996 or early 1997, Chirstopher Meili, a guard at the Union Bank of Switzerland prevented the shredding of dcouments related to the Holocaust, in contravention of regulations related to the Swiss investigation into bank activities of that era. He was subsequently fired -- and filed suit against the bank president. Congress has now passed a private bill granting him permanent residence status(not citizenship).

--If asked: Know of no reason why President would veto this bill.

June 25, 1997

Q: Where are we more than a year after the Khobar bombing?

About a 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? What about reports that he was in Iran at the time of the bombing?

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.

MIDDLE EAST PEACE PROCESS

July 21, 1997

Q: What is going on with the Peace Process? Why is PM Netanyahu sending an envoy to meet with Dennis?

A: Contacts between the two parties are continuing. Chairman Arafat sent Palestinian negotiator Saeb Erekat to Washington last week to meet with Dennis Ross and U/S Pickering. PM Netanyahu has announced that he is sending Cabinet Secretary Naveh to Washington.

These meetings are part of our ongoing efforts, which have been continuing for some time, to work with the parties to put the process back on track.

Q: What is the "package" that people are referring to? Is this the US initiative?

A: The goal of our current efforts is to find a way for the parties to return to the Negotiating table. That effort is ongoing and there is still work to be done.

IF PRESSED

It is policy not to get into the details of our discussions with the parties.

Q: Is Dennis traveling to the region?

A: He has no plans to travel at this time.

TERRORISM BILL
July 14, 1997

Most Recent POTUS Q/A's - 7/11/97

FINANCIAL TRANSACTIONS WITH COUNTRIES SUPPORTING TERRORISM ACT

What is your position on the House bill sponsored by Rep. McCollum?

- I'm opposed to it. It would deny the Executive Branch the discretion we need to determine, on a case-by-case basis, the most appropriate and effective sanctions to impose against governments that support terrorism.
- We currently have an effective sanctions program against terrorist countries.
- But we need to be able to respond quickly and flexibly to unforeseeable developments and international events. The loss of the ability to tailor sanctions to unique circumstances and situations would undermine our ability to defend our national security and economic interests.
- No list can adequately address the circumstances that could arise in our dealings with terrorist regimes.
- In addition, this bill would interfere with our ability to implement mandatory U.N. Security Council resolutions that impose sanctions, and to carry out our binding international obligations.
- It also could undermine our efforts to serve as an effective intermediary in the Middle East Peace Process and our efforts to promote peaceful change in Cuba through the Cuban Democracy Act, the Cuban Liberty and Democratic Solidarity Act, and other legislation.

Q: The President talked in Denver about new initiatives for Africa. What does he have in mind?

A: My Administration is working both bilaterally and with our Denver partners to integrate Africa fully into the global economy.

We are doing this by encouraging growth-oriented economic reforms in Africa by providing incentives for countries which are opening their markets and instituting sound financial policies.

In the United States, we are working with a bi-partisan coalition in Congress to pass legislation which will increase access to our markets, promote private investment, support debt relief and support capacity building and technical assistance efforts for those African countries making difficult economic reforms.

In Denver, we agreed to support many of these same initiatives for reforming African countries on a multilateral basis including increased access to our markets, greater assistance for capacity building efforts, promotion of private investment, and support for debt relief.

My Administration is also working in concert with African and Western countries to increase African conflict resolution capabilities. We begin training this month for several African countries (Senegal and Uganda) which have agreed to contribute troops to an integrated African force which could respond to crises on the continent. We are also working with the Organization for African Unity to expand the capacity of its Conflict Resolution Center.

These are a few examples of the initiatives we are undertaking to build a more prosperous, peaceful future with our partners in Africa.

HAITI
July 15, 1997

Q: Does the U.S. support extension of the UN mission in Haiti?

A: In a November 1996 letter to the UN Secretary General, Haiti's President Preval formally requested a continued international presence in Haiti for up to one year. In May, he publicly stated that that full 12 month period would be required before the Haitian National Police would be able independently to ensure a secure and stable environment. Based on that request, our assessment of the security situation in Haiti, and our judgement of the pace of progress being made by the Haitian police, we support a continued UN mission in Haiti for an additional four-month period.

Q: What happened at the July 16 meeting on landmines?

A: In January, when the President announced that the U.S. would pursue a ban on anti-personnel landmines through the Conference on Disarmament, he also decided that we would assess our progress after the second part of the CD session had ended on June 28.

We are now in the process of taking stock. At the July 16 meeting senior officials exchanged views on the state of play with respect to negotiating a ban on anti-personnel landmines and prospects for achieving our goal of a comprehensive, global ban on anti-personnel landmines.

No conclusions or decisions have been reached.

The Administration will continue to review the issue.

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.

Q: Is there a policy review underway?

A: Now that the first six months of this year's CD session has concluded we are taking stock of our progress there. We are also taking stock of progress in the Ottawa Process.

We want to ensure we remain on the most effective path for achieving the goal the President set forth last year -- achieving a comprehensive ban on anti-personnel landmines that is worldwide.

Q: When will this "stock-taking" exercise be concluded?

A: This assessment will be conducted over the course of the summer.

Most Recent POTUS Q/A's - 7/16/97

Why are you opposing a global ban?

- I'm deeply committed to a comprehensive, global ban on landmines. And we've taken important steps in that direction.
- The CD in Geneva is the best forum because it includes the majority of landmine producing countries.
- We've seen positive signs of progress in Geneva. These first steps are just a start, but important.
- We're also consulting with the Canadians to ensure that the Ottawa Process is complementary.

Do you oppose Senator Leahy's legislation?

- We share the same goal. He's made a tremendous contribution.
- But we differ on approach. I think the best way to reach a global ban is through a negotiation in which key countries -- those that are part of the problem -- are contributing to its solution.

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

- German President Herzog visits on July 24
- President Aliyev of Azerbaijan meets with POTUS August 1.
- President's visits to Brazil, Argentina and Venezuela rescheduled to October 12-17.
- APEC Summit in Vancouver November 24-25.

GULF WAR ILLNESSES

July 18, 1997

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The study compared the birth records of children born at military hospitals to virtually all of the nearly 580,000 active duty military members who served in the Persian Gulf with those of a parallel group of 700,000 military personnel who were not deployed to the Gulf. The results should reassure all Persian Gulf veterans, whether or not they have experienced possible Gulf War-related illnesses, that their family planning can proceed without worry about second-generation health problems related to Persian Gulf service.

We also note that this study is just one element in a large and comprehensive research program being conducted by many researchers in coordination with DOD, HHS, and VA. Additional research designed to address other important health concerns in a thorough and credible manner remains in progress, and we look forward to communicating future results to Persian Gulf veterans as soon as they become available.

Q. Why was there, in the PAC's words, "no serious [executive branch] effort to examine the possibility of chemical warfare agent exposure of U.S. troops at Khamisiyah until late 1995" when there were documents available raising this concern by December 1991?

No question that the recently-released documents should have been identified and released much earlier; this figured prominently in my decision in JAN 97 to extend the PAC established in MAY 95 in order to provide independent oversight of the ongoing process.

These documents are being identified and released now in response to my direction to get out all of the facts.

As to why these documents did not come to light earlier, the various ongoing IG and other investigations at DOD and CIA should help us to understand what happened.

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

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

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

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

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

Q: What is the status of the DOD/CIA effort to investigate what happened during the demolition at Khamisiyah?

A: Thursday DOD/CIA briefed the press on the models selected for the plume analysis and the uncertainties involved in modeling in general. These models, in combination with the Dugway field test results, will allow us to more accurately estimate the size and intensity of the plume. The plume size coupled with unit locations will tell us how many troops were potentially exposed to chemical agent as a result of the Khamisiyah pit demolition. DOD/CIA will be able to better characterize the nature, magnitude, and geographical extent of troop exposures on July 24th. This will be useful in looking at whether any correlation between chemical exposure and illness can be discerned.

It is important to note, that medical and health care is available to the veterans regardless of the exposure or location. The VA will also be present at the July 24th brief to discuss

current research into low-level chemical agent exposure. All of this effort is linked to the recommendations of the PAC in their December 1996 Final Report

PANAMA
July 15, 1997

STATE DEPARTMENT PRESS STATEMENT
U.S. AND PANAMA TO BEGIN FORMAL TALKS

Since the visit of President Perez Balladares to Washington in September 1995, the governments of Panama and the United States have engaged in a series of informal conversations concerning the creation of a Multinational Counternarcotics Center (MCC) and the participation of the United States. As part of these contacts, there have been a series of informal meetings between Ambassador John Negroponte and Dr. Jorge Ritter of Panama.

As a result of these exploratory meetings, the two Governments have identified sufficient areas of common interest to proceed to formal talks. Talks will begin during the month of July with a view to concluding agreements on the creation of an MCC and the participation of the United States.

Q. Does this mean that you have reached agreement in principle on a continued U.S. military presence in Panama after 1999?

A. No. We have not reached agreement in principle on a U.S. military presence in Panama, nor on the establishment of a Multinational Counternarcotics Center (MCC). We have held a series of informal discussions about the MCC proposal. The MCC is a novel concept and both sides wanted to be sure we shared similar understandings of how an MCC would work. The final version remains uncertain and will depend on the outcome of the formal talks.

Q. Will the MCC serve as a cover for U.S. military bases in Panama?

A. As envisioned, the MCC would require military support to carry out its counternarcotics mission. The nature and extent of that support will be one of the subjects of the formal talks.

We hope the MCC would enjoy the support and participation of several other countries.

Q. How large will the U.S. military presence associated with the MCC be?

A. The exact size and nature of the U.S. presence will be subjects for the upcoming formal talks.

Q. What is the likelihood that the U.S. and Panama will negotiate successfully and reach formal agreement on the MCC?

A. We're proceeding because both sides believe an MCC could be mutually beneficial, under the right conditions. It is likely that an agreement can be reached, but it is by no means certain. There are still many important details that need to be worked out.

Q. What exactly will be negotiated? what is the purpose and organization of the MCC under consideration?

A. The U.S. and Panama will work toward two related agreements, the first concerning the creation of an MCC and the second concerning the U.S. participation in the MCC. The U.S. views these two agreements as inter-dependent and we will not conclude one without the other.

We believe the MCC could perform two main functions, consisting of an Information Directorate to coordinate the collection, analysis and dissemination of information regarding drug trafficking and related crimes, and a Training Institute to provide training in counterdrug law enforcement.

Q. When do you expect to reach a final agreement?

A. We have not established any artificial deadlines. However, it is fair to say both sides share a determination to proceed as quickly as is prudent and practical.