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Daily Press Guidance - July 25, 1997

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Daily Press Guidance

Friday
July 25, 1997

(For internal use only.)

Press Guidance
Friday, July 25, 1997

Domestic

1. **Judicial Nominations** - Judicial Nominations
2. **GM Strike** - ~~Appointments / Labor~~ Labor Department
3. **Securities Litigation** - Regulatory Reform
4. **WW II Memorial** - WWI / WWII (NEW)
5. **Cloned Lamb with Human Genes** - Genetics
6. **Forest Restoration** - Environment - Land
7. **Byrd Resolution re: Climate Control** - Climate Control

Events

1. **NAESP speech** - Education
2. **Radio Address** - Radio Address
3. **Week Ahead** - ~~POW~~ POTUS Schedule

Economic

1. **Durable Goods and nondefense Capital Goods rose** - ECONOMY

Foreign

1. Northern Ireland
2. Immigration Reform Transition Act
3. Fast Track
4. Gulf War Illness
5. Boeing-McDonnell Douglas Merger - FOREIGN
6. Canadian Salmon
7. Middle East
8. Dolphin Protection
9. Trips and Visitors
10. Nazi Gold
11. CFE
12. Russia/NIS
13. Russian Mir Situation
14. Religious Freedom Report
15. Liberia
16. Kenya
17. Bosnia
18. Cambodia
19. UN
20. Korea
21. Thompson Hearings - CAMPAIGN FINANCE REFORM
22. Kuwait
23. Latin America
24. Supercomputers
25. Swiss Guard
26. Sayegh/Khobar
27. Haiti
28. Landmines

GUIDANCE ON JUDGES/UPDATE
JULY 25, 1997

- * There are currently 103 vacancies among the 844 judgeships in the Federal judiciary
- * (There are 72 District Court vacancies, 26 Circuit Court vacancies, 2 Court of Intl. Trade vacancies, and 1 Federal Claims Court Vacancy. (THESE DON'T ADD UP, **NEED TO BE UPDATED**, BUT THEY'RE CLOSE.))
- * In this Congress, we have sent up 48 nominees, 19 of whom are renominations from the last Congress.
- * Only 6 have been confirmed, leaving 42 pending, and hearings have been held on only six nominations. So clearly, they haven't been working at this.
- * Given the number they have had since early in the year, it's clear that the delay is not due to the rate at which we are sending up nominations but their own inaction.
- * We expect to send up at least another dozen before the August recess. That will mean a total of 60-65 out of the 108 vacancies.

(President Clinton has nominated more women and minorities to the Federal bench than any President in history. He has nominated more candidates rated Well Qualified by the ABA than any other President in this century.)

TOIV

Yarowsky/Counsel's office

Press Guidance
July 25, 1997

HELMS

If asked: The following should be used to clarify our position on nominees before the Foreign Affairs Committee. Earlier, Senator Daschle released a statement criticizing Senator Helms for his lack of cooperation on this front.

- The President has been frustrated at the speed with which judicial nominations have been moving through the process. I would clarify, however, that while we do have a disagreement with Senator Helms on the nomination of Mr. Weld's Ambassadorship -- we believe that there has been good movement on these nominations generally.

Mellody per Susan Brophy

STATUS OF NOMINATION
JULY 25, 1997

WAITING FOR HEARING DATE

SUBCOMMITTEE ON WESTERN HEMISPHERE - Coverdell

Curt Kamman	Colombia
Donna Hrinak	Bolivia
William Weld	Mexico

SUBCOMMITTEE ON AFRICAN AFFAIRS - Ashcroft

Susan Rice	Assistant Secretary AF
B. Dean Curran	Mozambique
Ellen Shippy	Malawi
Timberlake Foster	Mauritania
Nancy Powell	Uganda

SUBCOMMITTEE on Near Eastern & South Asian Aff. Sen. Brownback

Wyche Fowler	Saudi Arabia
Martin Indyk	Assistant Secretary - NEA

HEARING SCHEDULED

HEARING: July 29 at 10:00a.m. SD-419 - Sen. Smith

James Pardew, Jr.	Spec Rep Mili Stabilization in Balkans
Daniel Speckhard	Belarus
Anne Sigmund	Kyrgystan
Keith Smith	Lithuania
Richard Kauzlarich	Bosnia

WAITING TO BE REPORTED OUT OF SFRC:

Marc Grossman	Assistant Secretary EUR
John Kornblum	Germany
James Collins	Russia
Stephen Sestanovich	NIS
Stanley Roth	Assistant Secretary EAP
Bonnie Cohen	Under Sec - Management
James Rubin	Assistant Secretary PA
David Andrews	Legal Adviser
Edward Gnehm	Director General FS & Personnel
Wendy Sherman	Counselor (Rank)
Marua Harty	Paraguay
James Mack	Guyana

- 2 -

WAITING TO BE CONFIRMED:

David Scheffer	Amb-at-Large War Crimes Issues
Richard Sklar	UN Management & Reform
A. Peter Burleigh	Deputy USRep to UN
Linda Tarr-Whelan	UN-Status of Women
Gordon Giffin	Canada
Karl Inderfurth	Assistant Secretary - SA
Ralph Frank	Nepal
John C. Holzman	Bangladesh

NOMINATION HEARINGS HELD THE WEEK OF JULY 21, 1997:

HEARING: July 22 9:30a.m. S-Dirksen 419 Sen. Brownback
Stanley Roth Assistant Secretary - SA

HEARING: July 24 at 9:30a.m. S-Dirksen 419 Sen. Grams
Bonnie Cohen Under Secretary - Management
James Rubin Assistant Secretary - PA
David Andrews Legal Adviser
Edward Gnehm Director General Foreign Ser. & Personnel
Wendy Sherman Counselor - Rank

HEARING: July 25 at 9:30a.m. S-Dirksen 419 Sen. Coverdell
Maura Harty Paraguay
James Mack Guyana

April K. Mellody

07/24/97 02:43:50 PM

Record Type: Record

To: Joshua Silverman/WHO/EOP, Joseph P. Lockhart/WHO/EOP, Barry J. Toliv/WHO/EOP
cc:
Subject: Strike at GM Parts Factory

----- Forwarded by April K. Mellody/WHO/EOP on 07/24/97 02:43 PM -----

Anne H. Lewis
07/24/97 11:56:01 AM

Record Type: Record

To: April K. Mellody/WHO/EOP
cc:
Subject: Strike at GM Parts Factory

Talking Points

- Both the Federal Mediation and Conciliation Service and the Labor Department are closely monitoring the situation and stand ready to send if federal mediators if requested by the parties.
- We urge the parties to remain at the table bargaining table and to settle this dispute through the collective bargaining process.

Brish Smith
Jake

THE WHITE HOUSE
WASHINGTON

July 23, 1997

456-6210

Dear Chris:

Thank you for your letter of July 18, concerning the Private Securities Litigation Reform Act. I am pleased that the Senate is holding a hearing to learn about how the Act is working.

As you know, I have long supported reasonable reform of the securities litigation system, and have been particularly concerned about frivolous litigation and its negative impact on innovation and productivity. I also believe it is important to the efficient functioning of our capital markets that investors have the maximum amount of accurate information on which to base their investment decisions.

However, as I made clear during the debate on the Reform Act, it is critically important that investors who are defrauded or who are otherwise harmed by misinformation retain effective access to the courts. It is for this reason, that during consideration of the Reform Act, I raised concerns about higher pleading standards, the length of the statute of limitations, and the lack of private aiding and abetting actions in federal court. This was also the basis for my request that the SEC study the Reform Act's impact and report back to me.

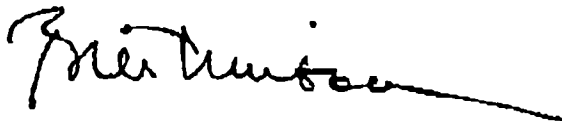
Now that the SEC has completed its work, I think it is fair to say that the SEC's study was conclusive on only two points: during 1996, the number of state court securities fraud actions increased; and the Reform Act's safe harbor -- meant to increase information available to investors -- is not being fully utilized. Recent tabulations of federal and state court securities actions indicate that the 1996 trend toward state court actions has been reversed in 1997, and may have been a temporary phenomenon. However, the possibility of changes in one or more states' securities laws similar to those proposed in California's Proposition 211 suggests that there may be a need to reconsider the appropriate balance of federal and state roles in securities law. As I said when I opposed Proposition 211 last August, the proliferation of multiple and inconsistent standards could undermine national law.

The Honorable Christopher J. Dodd
Page Two

As we work through this process, we should be guided by the same principles that were applicable to the Reform Act debate: a strong stand against abuse of the legal system, whether in federal or state court, in the bringing and settling of actions and discovery or in other procedural activities; a strong presumption in favor of fully -- and accurately -- informed markets; and a thorough respect for the different roles of federal and state legal systems and courts, and of enforcement agencies and private litigants.

With these principles in mind, I believe that my Administration will be able to formulate an appropriate response to issues raised about the effectiveness of the Reform Act and the role of federal securities law in a national market system. My economic advisors will soon provide me with recommendations. I look forward to working with you on this issue.

Sincerely,



The Honorable Christopher J. Dodd
United States Senate
Washington, D.C. 20510

WORLD WAR II MEMORIAL
July 25, 1997

- Commission on Fine Arts requested a redesign of the World War II Memorial proposed for the Mall.
- American Battlefield Monuments Commission is pleased that the Commission on Fine Arts reaffirmed the rainbow pool site on the Mall as the appropriate location for the World War II Memorial.
- ABMC will take the recommendations and come back to the Fine Arts Commission with a revised design of the Memorial later in the year.
- President believes strongly that the Commissions should complete their work as quickly as possible so that we can appropriately recognize the contributions of our World War II veterans.

PJ per ABMC

Press Guidance

July 25, 1997

ANIMAL CLONING WITH HUMAN GENES

Background: The British Scientists who cloned the sheep Dolly, announced yesterday that they created Polly, a sheep with human genes.

Q: What does the President think about the latest announcement of an animal created with a human gene in every cell?

A: After receiving the National Bioethics Advisory Commission's report on human cloning, President Clinton put forth legislation prohibiting any attempt to clone a human being. He also stated clearly that the cloning of animals has not raised the same ethical concerns and this new technology may have some agricultural and medical benefits (such as lower fat, disease resistance and high milk productivity). This latest creation of a sheep with human genes may hold out some medical promise.

Q: Does this successful creation of a sheep with human genes impact the current ban on cloning or pending legislation?

Q: No. The birth of one, or even a dozen sheep is not sufficient to establish the safety of cloning so that it might be applied to humans.

Q: What is the status of the President's "Cloning Prohibition Act of 1997?"

A: We are waiting for Congress to act on this important piece of legislation.

Silverman
per OSTP and DPC

Forest Restoration

The Washington Times' Paul Bedard today implies that Administration support of prescribed forest burning in the Tahoe area contradicts our prior endorsement of forest salvaging pilot projects. The following is an excerpt from yesterday's briefing with Katie McGinty which answers the basic questions raised in the article. Also see attached SAP on the Quincy Library Group Forest Recovery and Economic Stability Act, legislation directing the Secretary of Agriculture to conduct such a pilot project.

Q Related to that, Babbitt has endorsed the low-intensity burn in previous conferences earlier in July. Can you give any assurances that will work and that it will be safe to the residents there?

MS. MCGINTY: Let me just say our forest policy will be dictated by the best science. What the science has told us is that in some respects, the Smokey Bear campaign has been overly successful, and the consequence of stamping out every fire, including naturally-occurring fires has been that we now have a tinderbox in many places of the country.

About a year ago, in the face of that, we made what might be considered a bold determination, but a determination driven by the science that we would increase the use of what's called prescribed burns to begin to thin out some of that tinderbox kindling that has built up over the decades. That will certainly be part of our approach to enhancing and trying to improve forest health in the Lake Tahoe region. The degree of it, the intensity of it will be driven by the science.

Q Doesn't that clash in any way with your endorsement of this Quincy Library Group plan to take trees out before you burn?

MS. MCGINTY: Not at all, and to say that there will be use of some prescribed burn is not to preclude the possibility that there also will be thinning of some trees, taking them out before you do the prescribed burn. You can, and should, do both.

From briefing



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

July 9, 1997
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 858 - Quincy Library Group Forest Recovery and Economic Stability Act of 1997 (Herger (R) CA and 12 others)

H.R. 858 would direct the Secretary of Agriculture to conduct a pilot project within the Plumas, Tahoe, and Lassen National Forests in California to implement the Quincy Library Group (QLG) Community Stability Proposal. The QLG proposal would address various aspects of forest management, including timber salvage sales, fire hazard reduction, watershed and riparian area restoration and monitoring, and forest planning.

The Administration supports the goals of H.R. 858 and is currently implementing the Quincy Library Group Proposal using existing statutory authority, consistent with environmental laws and available funding. Therefore, the Administration believes the pilot project required by H.R. 858 could be implemented administratively.

The substitute amendment to H.R. 858, as allowed under the rule, attempts to address several funding and environmental concerns previously expressed by the Administration. Based on an initial review of the draft substitute amendment, the Administration continues to have concerns that need to be addressed before it can support the amendment.

Subsection (m) of the substitute amendment specifically states that nothing in this section exempts the pilot project from any Federal environmental laws. Certain provisions in the amendment, however, are inconsistent with environmental law compliance or current environmental procedures. These provisions and others, as described below, could result in delays and confusion in implementing the pilot project and result in unnecessary litigation. The Administration will work with the Congress to resolve these issues as recommended below:

- Subsection (d) of the substitute amendment should be amended to state that the pilot project will be carried out to the extent consistent with all Federal environmental laws.
- Subsection (c)(2) would freeze the Scientific Analysis Team guidelines for riparian system protection to those in effect on the date of enactment for the term of the pilot project. New information could necessitate revisions to these guidelines that would need to be applied to remain in compliance with environmental laws. Accordingly, subsection (c)(2) should be deleted.

- 002-24-57 23:28 FROM:ONS COMMENT:SWITON 10
- Subsection (f) would restrict the Secretary's ability to consider and mitigate the cumulative environmental effects of the pilot project activities in the affected forests. Subsection (f) should be deleted.
 - Subsection (i) does not comply with current National Environmental Policy Act (NEPA) procedures and should be amended to do so. For the purposes of environmental analyses, the subsection would group together all resource management projects over the whole pilot project area into a single environmental analysis rather than separating projects into individual, site-specific analyses. Such broad environmental analyses make it difficult for the agency to disclose site-specific impacts and alternatives for specific projects and increases the likelihood of litigation.
 - Subsection (h) requires that the pilot project end on the later of: (1) the completion of the revised forest plans, or (2) five years after the date of commencement of the pilot project. This section should be amended to state that the project would end on the earlier of these two dates. Without this change, subsection (h) requires the Secretary to continue the pilot project even after the plan amendment process has been completed, which would be inconsistent with the normal operation of environmental laws.

URBAN SCHOOL SYSTEMS ACROSS AMERICA JOIN MOVEMENT FOR NATIONAL STANDARDS AND TESTS IN THE BASIC SKILLS

In a speech to the National Association of Elementary School Principals, President Clinton announced today that 15 urban school districts -- including the three largest in the country -- will participate in voluntary national tests in 4th grade reading and 8th grade math that reflect high national standards.

GROWING NATIONWIDE SUPPORT FOR NATIONAL STANDARDS AND TESTS:

Fifteen urban school systems, including the three largest (New York City, Los Angeles, and Chicago) and six of the seven largest, have pledged to participate in the President's voluntary national testing initiative. Located in eleven states, together they represent approximately 7% of the nation's 4th and 8th graders. The commitment of these large school systems -- through partnerships of local school boards, superintendents and teachers unions -- demonstrates that support for the President's call for national standards and tests is truly nationwide. Students from Ft. Lauderdale to Seattle, from New York to Los Angeles, from San Antonio to Chicago, will be prepared to meet the same basic skills in reading and math. For the first time, parents, teachers and the public in these communities will know how well students perform compared to national standards in reading and math, international benchmarks in math, and to students in other cities and states throughout the nation.

HIGH STANDARDS FOR ALL STUDENTS: With this announcement, urban educators and communities send a clear signal that students in inner city schools can and should be held to the same challenging standards that are being set for all students throughout the nation. These communities recognize that setting high standards in the basic skills for all students is a prerequisite for improved teaching and learning. Research and experience shows that students can meet high standards, and that low expectations lead to low achievement. While this step alone will not improve teaching and learning for students in urban schools, it will guide and catalyze efforts to strengthen curriculum, provide training to teachers, increase parental and community involvement, and support the necessary investments at the local, state, and national levels to improve our schools.

A CHALLENGE TO EDUCATORS: USE TESTS FOR IMPROVEMENT AND ACCOUNTABILITY: President Clinton challenged local educators to use the test information to improve teaching and learning and to strengthen accountability. The U.S. Department of Education will make available information that describes the knowledge and skills students must master in order to meet the national standards. Each year, once the tests are given, the test items will be released to the public to further clarify what students must know and be able to do to meet the standards. Educators should use this information to upgrade the curriculum,

strengthen teacher preparation and professional development, and promote parental and community involvement in learning. They also should use the results of the tests to provide needed help to low performing students. Finally, they should incorporate the test results into school and school district report cards, that will hold administrators and teachers accountable for poor aggregate performance.

A CHALLENGE TO THE NATION: PROVIDE STUDENTS AND SCHOOLS WITH THE HELP THEY NEED: President Clinton challenged the nation to support students in urban areas and throughout the nation so they can reach high standards in the basics, and continue to learn for a lifetime. He called on the Congress to enact his America Reads initiative to promote early literacy and prepare students to reach national standards in reading, and to pass his new initiative to recruit and prepare teachers for urban and poor rural areas. Further, President Clinton pledged to continue to explore additional steps that can be taken to help prepare students in our cities for the 21st century.

NATIONAL TESTS BASED ON WIDELY ACCEPTED NATIONAL STANDARDS: The national tests in the basic skills areas of 4th grade reading and 8th grade math will be modeled on the National Assessment of Educational Progress (NAEP). The NAEP tests are based on widely accepted standards developed by parents, teachers, reading and mathematics specialists, curriculum specialists and researchers. The NAEP standards reflect a national consensus of what students should know and be able to do when they reach these critical stages of learning. In addition, the 8th grade math tests will also be linked to the Third International Mathematics and Science Study (TIMSS), so that student scores can be compared to international benchmarks as well as national standards.

July 24, 1997
URBAN SCHOOLS AND THE VOLUNTARY NATIONAL TESTS
Internal Qs &As

What is the President announcing?

Fifteen urban school districts will participate in the voluntary national tests in 4th grade reading and 8th grade math. These 15 urban school systems -- including the 3 largest and 7 of the 10 largest in the country -- are located in 11 states and represent approximately 7% percent of the nation's 4th and 8th graders.

Why these particular cities?

We contacted a group of urban school districts known as leaders in the effort to raise standards. This is just a first step. There are other school districts throughout the country that we anticipate will decide to participate in the future.

How can a single district sign up?

Both entire states and individual school districts will be able to contract with test publishers to administer the national tests. The publishers will provide both state and district level results. Thus, it will be possible for a district to give the test and compare the performance of its students with other districts, states, or (in the case of math) other nations. We are actively encouraging every district in every state to test their students in 4th grade reading and 8th grade math.

Why are these sign-ups taking place now?

Many of these districts have been engaged in long-term reform efforts and are anxious to demonstrate that inner-city students can reach the same challenging standards being set for students throughout the nation. Simply put, these urban districts have decided that now is the right time to make a commitment to high standards, accountability, and higher achievement in the basics. The President wants to recognize their commitment and work with these districts to help them succeed.

Are teacher unions in favor of these sign-ups?

Yes, teacher unions and organizations from each of these 15 districts signed on to administer the national tests in their districts. Teachers play a crucial role in getting students ready for high standards. These urban teachers recognize that setting high standards in the basic skills is essential for high achievement -- and that all students, regardless of their socio-economic background, can and will meet our high expectations.

Which states and districts are currently signed up to take the tests?

Governors and state education officials in six states -- Kentucky, Maryland, Massachusetts, Michigan, North Carolina and West Virginia, along with the Department of Defense schools all over the world, have committed to participate in

this testing program as soon as it becomes available in 1999. In addition, California State Superintendent of Public Instruction Delaine Eastin has pledged to work to secure California's participation.

The fifteen new districts signing on today are: Atlanta, Broward County (Ft. Lauderdale), Chicago, Cincinnati, Detroit, El Paso, Fresno, Houston, Long Beach, Los Angeles, New York City, Omaha, Philadelphia, San Antonio, and Seattle.

Why is Detroit also participating in the sign-up, if the state of Michigan has already signed on to give the tests?

Michigan, under the leadership of Governor Engler, has agreed to administer the national tests in reading and math to its 4th and 8th graders. Detroit's school leaders chose to participate in today's event to underscore their commitment to work with other urban districts to help their students reach high national standards in reading and math. We are pleased with the commitment demonstrated by local education leaders in Detroit.

Are we giving up on states?

Absolutely not. We are continuing to actively encourage every state to sign-up so that all districts and States will have the same opportunity as these 15 districts to compare the performance of their students to national and international benchmarks, and to use that information in order to lift student reading and math achievement.

What is the situation in California?

We are pleased that Delaine Eastin, the Superintendent of Public Schools in California, has announced her support for the national tests and her commitment to working to give students throughout the State an opportunity to participate. Her leadership has helped pave the way for three major school districts in California -- Los Angeles, Long Beach, and Fresno -- to join this important effort today. The Governor's Office and State Board of Education have indicated their desire to review the issue of statewide participation. We hope that all relevant policymakers there can reach agreement so that all parents and teachers will have access to this important tool for raising student achievement.

Do we really have these cities lined up? Or is this another situation like California, where top officials are not in agreement to sign-up for the test?

In each of these urban districts, the local school board, superintendent, and local teacher organizations have agreed to administer the voluntary national tests and to work together to help students meet these high standards.

What percentage of students are being reached through these 15 districts that are signing up today?

The students in these districts represent approximately 7% or about 490,000 of

the more than 6.7 million 4th and 8th graders in the nation.

Why aren't we making more rapid progress on National Test sign-ups?

Today's event demonstrates that there is nationwide support for participating in the tests, and that we are making steady progress. The Department of Education has been moving forward with the process of developing the test and a contract will be awarded soon. State interest will grow as development work proceeds. Each state or district needs to determine how the national tests can fit into a larger strategy for helping all students reach high standards. We are gratified that today 15 major school districts nationwide have determined that the voluntary tests can help them improve the skills of their students.

GUIDANCE ON RADIO ADDRESS
JULY 25, 1997

The President will announce that over 1,600 high school students have won scholarships of at least \$1,000 as part of the first year of the National Service Scholars program.

- The President first called for this program at Penn State in May 1996, challenging communities to raise at least \$500 for their local high schools, which the federal government would then match.
- Community organizations, including: Kiwanis, Rotary, Lions, Dollars for Scholars, Seventh Day Adventists, Veterans of Foreign Wars, the American Legion, Elks, Women's Clubs, Masons, Soroptomists, Junior Leagues and the Miss America Foundation, decided to raise scholarships.
- Each high school principal is invited to nominate a junior or senior for the scholarship. The President will urge all 20,000 high schools in the nation to participate next year.
- The Corporation for National Service found funds internally for the \$800,000 cost of this year's program. (It had set aside \$3 million for this purpose, which would have funded 6,000 scholarships, but the program got a late start.)
- The House Appropriations Committee recently voted to appropriate the full \$10 million cost of taking the National Scholars Service program nationwide. (A House floor amendment then cut all AmeriCorps programs in half, but the House is expected to reverse this in conference.) The Senate did not include it, but appears likely to agree to it in conference.

Anders per Diana Fortuna

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The National Service Scholars Program

President Clinton announced today that more than 1,600 high school students have won scholarships of at least \$1,000 in the first year of the National Service Scholars Program. The college scholarships recognize outstanding community service.

The President proposed the program last year in an address at Penn State University, challenging communities to raise at least \$500 for their local high schools, which the federal government would then match. High school principals nominate the junior or senior with a strong commitment to community service to receive scholarships.

The \$500 federal match is provided by the Corporation for National Service, which launched the program this spring in partnership with the Citizens' Scholarship Foundation of America. The deadline to apply for the program was June 30, and 1,683 high schools submitted nominees. Awards will be sent to scholarship winners in early August.

The program has proved extremely popular, with a host of leading community organizations stepping forward to raise local scholarships and secure the federal match. The most frequent local contributors include: Kiwanis, Rotary, Lions, Dollars for Scholars, Seventh Day Adventists, Veterans of Foreign Wars, the American Legion, Elks, Women's Clubs, the Masons, Seroptomists, Junior Leagues, Optimists, Jaycees, Quota International, Sertoma, Parent Teacher Associations, and Chambers of Commerce. The Miss America Foundation committed to providing matching scholarships in every state; Sallie Mae provided the matching funds for every public high school in the District of Columbia; and the Minnesota state legislature voted to fund the match for all high schools in that state.

When he announced the initiative at Penn State, President Clinton said, "I want every principal in America to be able to stand up before a graduating class and announce the name of a National Service Scholar. We should make service to the community a part of every high school in America and a part of life of every dedicated citizen in the United States." Noting the success of the first year effort, the President today challenged schools and communities to award scholarships to many more students next year, with the goal of instituting the program in all high schools.

The President's FY 1998 budget includes \$10 million for the National Service Scholars Program, enough to take the program nation-wide.

Attending the radio address where the President made the announcement were two scholarship winners and representatives from four civic groups that raised local scholarship funds (add names).

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

July 25, 1997

MEMORANDUM FOR MICHAEL MCCURRY

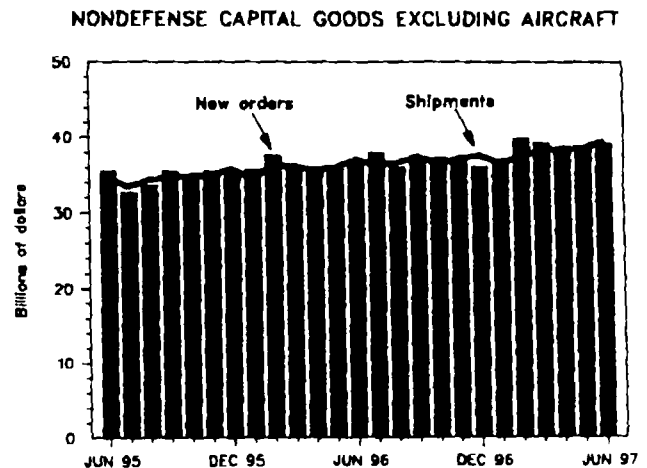
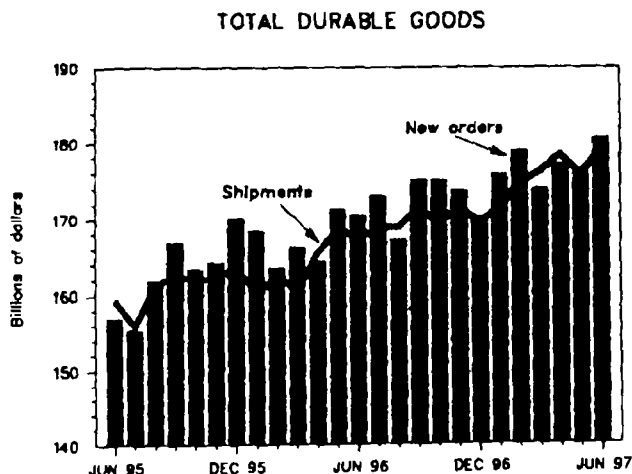
FROM: ALICIA H. MUNNELL *AM*

SUBJECT: Advance Durable Goods Orders and Shipments in June, Commerce Department Release, Friday, 8:30 a.m.

New orders for manufactured durable goods rose 2.3 percent in June--stronger than the market had expected. Excluding the volatile defense and aircraft industries, orders for capital goods rose 1.7 percent--which is also a solid increase.

Shipments of nondefense capital goods excluding aircraft rose 2.6 percent, the fifth consecutive monthly increase. (Shipments are used to estimate the equipment investment component of GDP.)

For the second quarter as a whole, these shipments data indicate very strong equipment investment. These investment figures should partially offset a slowdown in consumption, and second-quarter GDP growth is expected at around 2½ percent at an annual rate.



Byrd Resolution 95-D

We share the sentiment underlying the Byrd resolution that all nations - - whether developed or developing - - need to be part of a common solution to global climate change. The Administration is currently engaged in a broad public education and outreach effort on this issue, and is working intensively to develop a strong American position for Kyoto in December. The President strongly believes that we can preserve the environment for our children, grow the economy and meet our international responsibilities at the same time. And our negotiators will continue working hard to bring back an agreement that the U.S. Senate will overwhelmingly support.

THE WHITE HOUSE

Office of the Press Secretary

FOR PLANNING PURPOSES ONLY

July 25, 1997

**Week Ahead Schedule of the President
July 26-August 2, 1997**

Saturday, July 26

6:10 am **THE PRESIDENT** departs the White House via Marine One en route Andrews AFB, Maryland
The South Lawn, the White House
OPEN PRESS

10:06 am **THE PRESIDENT'S** Weekly Radio Address is broadcast
The Oval Office, the White House
Audio Available on the PA and Mults of the White House Briefing Room

Lake Tahoe, Nevada & Los Angeles, California

RON Los Angeles, California

Sunday, July 27

Los Angeles, California

RON Los Angeles, California

Monday, July 28

Los Angeles, California & Las Vegas, Nevada

RON Washington, D.C.

Tuesday, July 29

No Public Events
Washington, D.C.

Wednesday, July 30

3:15 pm **THE PRESIDENT** meets with Deputy Prime Minister Mbeki of South Africa
The Oval Office, the White House
PRESS TBD

7:30 pm **THE PRESIDENT** addresses the 1997 National Boy Scout Jamboree
The National Boy Scout Jamboree, Fort AP Hill, Virginia
OPEN PRESS

*Press Note: There will be no White House Filing Center at this event.
However, audio of the President's remarks will be available on the PA
and Mults of the White House Press Briefing Room*

Thursday, July 31

10:00 am **THE PRESIDENT** attends health-related event
The U.S. Department of Health of Human Services
OPEN PRESS

Friday, August 1

TBD **THE PRESIDENT** meets with President Aliyev of Azerbaijan
The Oval Office, the White House
PRESS TBD

Saturday, August 2

10:06 am **THE PRESIDENT'S** Weekly Radio Address is broadcast
The Oval Office, the White House
Audio Available on the PA and Mults of the White House Briefing Room

Q: What will happen to the peace process now that the UUP has voted against the decommissioning proposal at the Belfast talks today?

British and Irish governments have expressed commitment to process, to negotiated settlement. Do not see negative vote as in any way end of process but how they take it forward is up to them, to Senator Mitchell and his colleagues and the parties involved.

Pleased that UUP decided to stay in the talks rather than walking out (as DUP and UKUP did).

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?

We expect it to be unequivocal and 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?

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.

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.

IMMIGRATION REFORM TRANSITION ACT

July 24, 1997

Q. What is this legislation intended to do?

A. This legislation is intended to provide a needed transition for individuals who apply for the immigration relief called suspension of deportation and who had immigration cases pending before the 1996 immigration law took effect. Suspension of deportation is form of relief available to individuals who have been in the United States for a long period of time and have developed substantial equities here. The new law substantially restricts the rules relating to this form of relief and imposes some of these rules on persons with cases in the administrative pipeline. The legislation is designed to ensure that these individuals would be eligible for suspension of deportation under the rules that were in effect prior to the effective date of the new law. The legislation is also aimed at providing certain groups of Central Americans – Nicaraguans, Salvadorans, and Guatemalans – with an opportunity to be considered under the old suspension rules.

Q. Why is the Administration taking this course of action?

A. It is first an issue of fairness; we do not believe that new rules should apply to old cases. Second, it is driven by important foreign policy concerns. As the President learned during his trip to Central America last month, peace and democracy are still fragile in that region. The sudden return of Central Americans in the United States could jeopardize these important accomplishments. After so much strife in that part of the world – which had profound implications for the United States -- , the President believes it vital to the national security to assist in any way he can in bringing stability to Central America. The Administration also recognizes that many of these individuals, after years of being authorized to remain in the United States, have developed important ties to this country and should be treated fairly in light of the recently passed legislation.

Q. Isn't what the Administration proposes tantamount to an amnesty program for Central Americans?

A. No. The Administration's approach seeks only to ensure that persons whose immigration cases were pending prior to April 1 are able to benefit from the suspension rules in place prior to April 1. Persons who apply for suspension will continue to be considered on a case-by-case basis according to existing legal requirements. Not all individuals who apply for suspension will qualify.

Q. How many people will be affected by the legislation?

A. The Department of Justice estimates that, under the proposed legislation, as many as 280,000 people might be eligible to apply for suspension under the old rules. It further estimates that about 160,000 might actually decide to apply for suspension. However, because suspension is decided on a case-by-case basis, it is impossible to estimate how many people might be able to gain permanent status under the proposed changes.

Q: What is the purpose of today's meeting?

A: The President will express the need for fast track to ensure U.S. competitiveness in the global economy. Fast Track is about expanding opportunities for U.S. exports and making sure the U.S. sets the rules and conditions for trade that are advantageous to U.S. workers and businesses. The Administration's trade agenda is focused on exactly those areas where the U.S. is most competitive -- telecommunications, technology, professional services, agriculture, biotechnology, and critical manufacturing sectors.

Q: Why does the Administration keep meeting with Members without presenting a proposal?

A: The only way to succeed in securing fast track authority is to build the broadest consensus possible before we head into the fall. It is important for Congress to have a clear understanding of why we need fast track, and the President will use today's meeting as an opportunity to do that.

Q: Why did the President meet with these particular Members?

A: Amb. Barshefsky and other members of the Administration have met with over 170 members over the last few months. The President's meeting today is part of an effort to personally address questions from those Members about trade and the need for fast track. This meeting is one of a number of meetings the President will have with Members in the coming months.

Q: What are the chances of the Administration securing fast track authority?

A: We realize this will be a divisive battle, but the more Congress understands that fast track is necessary for U.S. competitiveness in the global economy, we believe they will support renewed fast track authority for the President. We can not afford to have the rest of the world march on by while we pass up opportunities for U.S. workers and companies.

There are three fast track related activities taking place this week at the White House:

1. President will officially nominate Jay Berman and Vicki Radd to head the Administration's fast track effort.

[Jay has had a long and distinguished career in Washington as the Chairman and CEO of the Recording Industry Association of America and has been particularly active on ensuring that US intellectual property rights are protected around the world. Vicki has been an Chief of Staff to Erskine Bowles most notably coordinating

the Summit of the Eight in Denver. She will be working with Jay on coordinating this priority.]

2. Erskine briefed the Cabinet on the President's commitment to fast track on Wednesday afternoon and has asked that the Cabinet be available to speak out and work on this issue in the future.

3. On Thursday, the President will meet with congressional members to talk about why fast track authority is in the national interest.

General Points:

- The President is clearly committed to securing fast track authority this fall. This will be one of the Administration's top priorities and the President and his Cabinet will work hard on articulating both to the American people and the Congress why fast track authority is vital to the nation's long term economic prosperity.**
- Fast track is at the heart of the President's effort to prepare the American people for the challenges of the 21st century. A central pillar of the President's economic strategy has been aggressively creating opportunities to advance America's job growth, productivity and overseas trade.**
- And it has worked: longest sustained period of growth of all our G-7 partners (25% of which was driven by exports), 12 million new jobs, unemployment under 5%--a 25 year low and sustained low inflation.**
- Securing fast track authority is critical to continue this economic expansion and maintain America's leadership position in the world.**

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.

GULF WAR ILLNESSES

July 25, 1997

Q: What is the White House reaction to GAO/FDA allegations that there were problems with DoD's use of investigational products and waiver of informed consent during the Gulf War?

A: The Presidential Advisory Committee highlighted this problem in its Final Report. DOD has acknowledged on numerous occasions that implementation of their programs for use of the investigational products pyridostigmine bromide and botulinum toxoid vaccine had deficiencies during the Gulf War. DOD is committed to improving its programs for the use of investigational products during deployments and combat operations.

Q: Is it true that there have been difficulties with executing the program to use tickborne encephalitis vaccine as an investigational product in Bosnia?

A: DOD has acknowledged the accuracy of the Government Accounting Office reports which indicates there have been improvements since the Gulf War, but that much work remains to be done. The Surgeon General of the Army is committed to resolving these difficulties in Bosnia and for future use of investigation products.

Q: What is DoD doing to review, correct and improve its programs for sue of investigation products?

A: DOD has directed that the investigational new drug (IND) process, as determined by the Food and Drug Administration, be followed in Bosnia and future deployments.

The Deputy Secretary of Defense has requested an extensive review of DoD's current and future programs to protect the force during deployments to potentially hazardous environments. The use of investigational products for force protection will be part of the review.

The Special Assistant for Gulf War Illnesses and ASD(HA) have commissioned the RAND Corporation to conduct an assessment of DoD's processes for developing, deciding to use, and using investigation products especially during deployments.

Q: What is your comment on today's report that nearly 100,000 U.S. troops were exposed to low levels of poisonous sarin gas when soldiers detonated rockets at Khamisiyah?

A: From the beginning of his Administration, the President has been committed to getting out all the facts related to Gulf War illnesses. So, the President is pleased to see the results of the extensive efforts that DOD and CIA have expended to sort out the uncertainties of this particular event at Khamisiyah.

While this new information will be studied carefully in the weeks ahead, it should be remembered that the 98,980 troops were exposed to very low levels for a short period.

The President is extremely supportive of the DOD and VA effort to notify the soldiers under the plume, and supports the aggressive research effort that is underway to find out what is making Gulf War veterans sick.

The Presidential Advisory Committee on Gulf War Veterans' Illnesses (PAC) was commissioned by the President to help us understand the various risk factors associated with Gulf War Illnesses, and to tell us where we were doing well and where we needed improvement. The President credits the PAC for asking the right questions and serving as a catalyst to improve CIA/DOD investigations. We should also give credit to DOD and CIA for the extensive efforts behind today's announcement which underline the President's commitment to get all of the facts out.

Q: What does low-level exposure mean? What should veteran's do?

A: The answer to what veterans should do now is the same as it has always been; if a veteran is sick -- whether shown as exposed or not -- medical care is available.

It is important to note that we're talking about very low levels of exposure, and current medical knowledge does not provide conclusive evidence suggesting the long-term impact is significant. However, there are still unanswered questions about low-level exposure as there is not much research in this area. DOD/VA/HHS have a research plan in place to look into this, as well as other risk factors. This research program will incorporate any new information to try to answer the fundamental question of why veterans are sick.

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. 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.

BOEING-MCDONNELL DOUGLAS MERGER

July 24, 1997

(Note: Press reports that Boeing CEO Phil Condit and McDonnell Douglas CEO Harry Stonecipher will hold a news conference at 1 pm in the East Room of the Mayflower Hotel Washington to discuss their merger.)

- We are pleased that negotiators for Boeing and the European Commission appear to have reached an agreement on the proposed merger of Boeing and McDonnell Douglas. We believe Boeing has gone the extra mile in order to resolve this dispute, and we expect that the European Commission will approve the merger.
- Our independent Federal Trade Commission ruled unconditionally on July 1 that the merger would not reduce competition in the aircraft industry. We believe it is important that this merger go forward because it will promote consolidation and efficiency in the U.S. defense industry and preserve the jobs of 15,000 workers at Douglas Aircraft Co., which has suffered with the rise of Airbus Industrie.
- Although we did not get directly involved in the negotiations between Boeing and the EU, the President and his senior advisers have been working quietly, behind the scenes for weeks to ensure that the EU would not block the merger. The President made phone calls on his day off this week. The Secretary of State interrupted her vacation to call several of her European counterparts. Our antitrust chief led a delegation to Brussels two weeks ago. We have kept our involvement quiet, so as not to turn up the volume on this issue any further.
- We think this quiet diplomacy has paid off:
 - The EU backed off of its initial demand that Boeing divest Douglas Aircraft Co., after we insisted that would both harm the airlines that currently operate Douglas aircraft and jeopardize the jobs of the 14,000 Douglas workers in Long Beach.
 - The EU also backed off of its initial efforts to use the merger review process to reopen negotiations on the 1992 bilateral aircraft agreement, which limits European government subsidies for new Airbus aircraft, after we warned them not to link trade and competition policy.

On background:

- The Administration has worked quietly behind the scenes to make certain the EU understands 1) that the merger is consistent with the Pentagon's conscious strategy of defense consolidation, and 2) that EU insistence on a divestiture of Douglas Aircraft (the commercial side of McDonnell Douglas) was both anticompetitive and a threat to the jobs of 15,000 workers at Douglas. We made a full court press, but we did so quietly, so as not to further inflame the situation.

- On the exclusive agreements, from a public policy standpoint, we did not consider them problematic. The FTC said the agreements were potentially troubling, but not a reason to block the deal. We did not encourage Boeing to give them up. More generally, we did not second guess Boeing on this or any other aspect of the negotiations.
- We do have some concerns about the way the EU handled its merger review process. Statements from the European side gave the appearance that the process was influenced by political factors and trade policy considerations. Whereas the FTC judged the merger based on its impact on *consumers*, the European side appeared to consider the impact on *competitors* to Boeing.
- Separate from the merger, we do have concerns about the possibility of new government subsidies to Airbus, particularly in light of the EU's recent criticism of the 1992 U.S.-EU bilateral aircraft agreement, which limits such subsidies. We will continue to monitor that situation and vigorously implement the 1992 Agreement.

Q: What was accomplished in yesterday's meeting between Foreign Minister Axworthy and Acting Secretary Talbott?

U.S. and Canada have decided to appoint two prominent citizens who will report to President and Secretary of State and to Prime Minister and Minister of Foreign Affairs, to find, through consultations, most effective way to reinvigorate stakeholders process. (Note: Stakeholders talks broke down in May.)

Goal of stakeholders process is to resolve differences over implementation of Pacific Salmon Treaty.

Two representatives will act as resources to stakeholders and report periodically on progress; objective is to move quickly enough make difference for 1998 salmon fishing season.

Also agreed to set up channel to provide early warning of operational problems between respective fishing interests.

If asked whether our representative will be Bill Ruckelshaus: He would be an excellent choice; we are talking with Canada on the details of the process and working out administrative arrangements. (Note: He is our candidate but we cannot announce that until Ottawa has come up with theirs.)

Q: What is Foreign Minister Axworthy doing here?

Foreign Minister Axworthy flew in to discuss salmon issue with Acting Secretary Talbott, Under Secretary Wirth.

U.S. will certainly express strong unhappiness over blockade of Alaskan ferry over weekend.

Purpose of visit is to discuss how to get process going that will facilitate restoration of stakeholder talks, lead to resolution of salmon issue.

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

A: Blockade has ended and ferry has gone on its way to Ketchikan, Alaska. (Background: On Saturday, Canadian fishermen blockaded a U.S. passenger ferry in prince Rupert, British Columbia to protest Alaskan catches of sockeye salmon. On Sunday, Alaska obtained an injunction against the blockade in Canadian court. However, Canadian officials have not enforced that injunction.)

U.S. pleased blockade is over but it should not have happened. Harmed many people who have nothing to do with the salmon fishery.

Now we are working with Canadian government to get a process in place to resolve our dispute over Pacific salmon.

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.

MIDDLE EAST PEACE PROCESS

July 25, 1997

Q: What is the US position on the announcement by the City of Jerusalem to grant more building permits for Jewish Housing in the East Jerusalem neighborhood of Ras al-Amoud?

(NOTE FOR BRIEFER: The Jerusalem municipality has granted permission to Jewish American businessman Irving Moscovitz, to build housing for Jews on a plot of land in Arab East Jerusalem. PM Netanyahu has publicly voiced his opposition to this proposal)

A: We are concerned at reports of pending construction at Ras Al-Amoud. We have emphasized the importance of Israel not taking unilateral moves on permanent status issues that have the effect of increasing mistrust between the sides.

In this regard, we note with satisfaction PM Netanyahu's opposition to this project.

Q: This looks like a struggle between Jerusalem Mayor Olmert and the PM. Are you certain that the PM's view will prevail?

A: We have made our views clear. I will not speculate on internal Israeli political issues.

Q: What is going on with the Peace Process?

A: Contacts between the parties in the Peace Process are continuing. Chairman Arafat sent Palestinian Negotiator Saeb Erekat to Washington last week to meet with Dennis Ross and U/S/ Pickering. Dennis met with Israeli Cabinet Secretary Nevah Yesterday.

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

Q: What happened at the Nevah meeting? Is progress being made?

The goal of our current effort is to find a way for the parties to return to the negotiating table. Our practice is not to go into details of our meetings. Our efforts are intensive and ongoing, but there is still work to be done.

Q: Is the US pushing for a settlement and Har Homa freeze? What is your view of moving quickly to permanent status talks?

A: I just said that I am not going to go into details on these or any other issues.

Q: Israeli press is reporting that Dennis will travel to the Region in August and that the Secretary will open permanent status talks in September. Anything on this?

Neither Dennis nor the secretary has any plans at the moment to travel to the region. Both will do so when they believe that their presence there will help to move the process forward.

Q: Any comment on the meeting between Arafat and Levy in Brussels?

A: We welcome the meeting in Brussels between Chairman Arafat and FM Levy. High-Level contacts between the Israelis and the Palestinians are an important component of rebuilding confidence between the parties.

Q: Was this a useful meeting? What occurred?

A: As you know, we were not a party to the meeting. You will have to address that question to the parties who attended the meeting.

Q: Have you been debriefed? Has Moratinos spoken with Dennis?

A: They have been in regular contact. We appreciate Mr. Moratinos efforts.

Q: Why are you ceding the initiative to the EU? Are you working in tandem?

A: There are several parties interested in helping advance the peace process, including, importantly, the EU and Egypt. We stay in close touch with both.

I would characterize all of our efforts as complementary and mutually reinforcing. We all share a common goal in our dealings with the parties in the region; that is, to help them return to the negotiating table.

In this sense, any activities -- like the EU brokered Arafat-Levy meeting in Brussels -- that help to rebuild confidence between the parties are welcome.

DOLPHIN PROTECTION

July 22, 1997

Q: What is the problem on the Hill with the Tuna-Dolphin bill? Are we in trouble?

A: The administration strongly supports the Breaux-Stevens bill. We believe this legislation best protects dolphins and the marine environment. The President and Vice President are committed to implementing the Panama Declaration.

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.

TRIPS AND VISITORS

July 22, 1997

- 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.

Q: What do we know about the Vatican storing Ustashi (Croatian) gold?

A: Treasury document appears to be first reference to Vatican's role in safeguarding looted gold. State, other agencies working to determine if more information is available.

Committed to full historical review of Nazi gold issue. UK and U.S. have agreed to work together to hold an international conference of historians this fall in London.

Many of neutral countries have established commissions to study Nazi gold issue and many have expressed interest in attending such a conference.

U.S. urges Vatican, along with all affected countries, to open historical records and share relevant findings.

CFE Adaptation: Decision on "Certain Basic Elements"

- Since January of this year, the thirty parties to the CFE treaty have been engaged in negotiations to update or "adapt" the treaty to Europe's dramatically changed security environment.
- Today, in Vienna, the 30 parties to the CFE Treaty have agreed upon "Certain Basic Elements for Treaty Adaptation."
- The decision they adopted today locks in significant progress that has been made thus far in the negotiations, while also identifying issues that need to be further discussed.
- The decision will guide negotiators in their future deliberations to adapt the treaty. [If asked: This is a political document, not legally binding.]
- It demonstrates the commitment of all treaty members to work together toward a common goal of ensuring European stability by adapting the treaty so that it continues to enhance security in Europe for the coming years.
- The decision records agreement on certain core structural elements of the treaty. These provisions include:
 - The treaty's Cold War bloc-to-bloc structure will be replaced it with a new system of national ceilings;
 - The existing zonal structure, originally established to encourage the movement of troops and equipment away from the potential line of confrontation in Central Europe, will be replaced by nationally-based territorial ceilings;
 - The 30 CFE states will pursue the objective of significantly lowering the total amount of treaty limited equipment permitted in the treaty area;
 - The limitations of the flank agreement, as modified by the Flank Agreement in May, 1996, will be maintained; and
 - The adapted treaty will be open to accession by states who may request it, on a case-by-case basis.
- These agreed elements consistent with the NATO proposal of February 20, 1997.

Current

Yeltsin Rejection of Law on Religion

- Yeltsin rejected draft law on religion; said action motivated by concern that law violated Russian constitution, argued there could be no democratic society in Russia if minority interests "are not protected."
- Right decision for religious freedom and democracy in Russia; Yeltsin stood up for principle against political expediency, as when he vetoed similar legislation in 1993.
- Makes clear Yeltsin's concept of democracy for Russia embraces religious freedom.

(If asked -- what now happens to law?)

- Yeltsin has proposed amendments to law, which now goes back to Duma for reconsideration, possible reworking when Duma returns from recess in September.

(If asked -- Administration's contacts with Yeltsin about the law)

- President raised our concern about religion law; Secretary Albright discussed it repeatedly with Primakov; Embassy Moscow in regular contact with Russian officials.

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.
- President made clear strong U.S. support for continued reform in Georgia; said U.S. will work actively to promote resolution on Abkhazia separatist conflict; and agreed with Shevardnadze on importance of regional cooperation in Caucasus, including with Russia and Turkey.
- (If raised) Georgia's handling of adoption cases was raised with Shevardnadze. United States hopes for early, fair resolution.

General

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.

Background

There has been no significant change in the status of the Mir since yesterday.

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 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. Science Advisor Dr. Gibbons has said that Mir's power problems could prevent U.S. astronaut Wendy Lawrence from replacing Michael Foale at the end of his mission. Will she be going or not?
- 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. The Russians are working to have power restored before the Shuttle arrives, and the Russian mission director has acknowledged that unless power is restored, there is little scientific justification for sending Lawrence to Mir.
- Q. Isn't it time to seriously reconsider our overall space cooperation with Russia?
- A. 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. We remain committed to the International Space Station and to Russia's participation in it. President Yeltsin has given President Clinton his personal commitment to continue

Russia's role in the program. This incident has not altered our plans for future cooperation.

Q: Has the President approved Senator Glenn's request to fly on the Space Shuttle?

A: The President has a great deal of respect for Senator Glenn and we are aware of his interest in flying again in space. NASA is currently evaluating the Senator's proposal in light of the specific safety issues involved and the science requirements that could be met if he were to fly. This is not a process that will be run out of the White House; the decision will be based on NASA's recommendation.

RELIGIOUS FREEDOM REPORT

July 25, 1997

[Background: In compliance with a congressional request, the State Department released a report entitled "United States Policies in Support of Religious Freedom: Focus on Christians." It is available on the Internet at <http://www.state.gov>]

Q: Why did the State Department release a report on religious freedom?

- The report was prepared at the request of Congress.

Q: What do you hope to accomplish with this report?

- The Administration has been a leader in promoting religious freedom. We welcome this opportunity to bring attention to the problem of religious persecution and to share what we've been doing to advance religious liberty around the world.

Q: Why does it focus on the treatment of Christians?

- While the report fulfills a Congressional mandate to focus on the situation for Christians, it describes U.S. efforts to address religious persecution more broadly. It includes several examples of cases where the religious rights of other faiths have been violated.
- There should be no confusion: the United States vigorously condemns persecution against any believer and all faiths. We have defended the rights of Muslims, Jews, Buddhists, Baha'is and others to practice their faiths freely. Our efforts to combat religious intolerance have sought to protect the fundamental human right of people of all faiths to worship freely.

Q: What has the Administration done to address religious persecution?

- The report outlines the many ways in which the Administration has worked to support religious freedom, for example:
- Both the President and the Secretary of State have made religious freedom a priority of U.S. human right policy and an important focus of our diplomatic efforts;
- We created the first-ever Secretary's Advisory Committee on Religious Freedom Abroad, a group of distinguished American leaders of religious, academic, and advocacy communities that has been hard at work formulating recommendations to advance religious freedom and reconciliation;
- We highlight the issue of religious freedom in international forums such as the United Nations General Assembly and the UN Human Rights Commission;

- Our diplomatic posts around the world are giving greater attention to this issue, and have been instructed to work closely with local religious leaders to gather information on religious freedom and to promote religious tolerance;
- And we speak out publicly when there is a problem, including raising our concerns directly with foreign governments and consistently reporting on religious freedom in our annual human rights reports.

Q: How do you respond to the allegation that the report's release was delayed until after the MFN vote on China?

- It is simply not true that the report's release was **deliberately** postponed by the Administration **until after the MFN vote on China**. Rather, we have worked hard to prepare a thorough and accurate report, **and that has taken time**. For example, **we felt it was important to take time to consult** with members of the Secretary's Advisory Committee, and their contributions strengthened the report in important ways
- We are proud that we produced a report that overviews all of our efforts around the globe to address religious freedom, and that includes country-specific summaries of conditions in 77 different countries. *[Note: The press has reported that 78 countries are included.]*

Q: Have certain countries, such as China, been singled out for criticism in the report?

- The report covers 77 countries around the globe, including several in Western Europe. No individual country is singled out for special criticism.
- The real story is what the U.S. is doing to address problems where they exist. As the report shows, we have been active in encouraging greater religious tolerance in a number of countries.

[Only If Asked]

Q: Does the attention on this issue mean that the Administration would support the Wolf-Specter bill on religious persecution? *[Background: Representative Wolf and Senator Specter introduced legislation—the Freedom from Religious Persecution Act—mandating the creation of a White House office to monitor religious persecution and imposing automatic sanctions on countries found to engage in religious persecution.]*

- As demonstrated by the report, we are deeply committed to defending religious liberty, and we share the concern of the authors of the bill about the serious problem of religious persecution.
- We are looking closely at specific provisions in the bill and we have concerns about some elements of the legislation.

We look forward to working with Members of Congress, the Secretary's Advisory Committee, and the American public to explore ways to advance religious liberty abroad.

Q: Who won the election?

A: Although the ballots are still being counted, the election commission has confirmed Charles Taylor's victory.

Q: Was the election free and fair?

A: The election was free and transparent. We hope that all parties and the international community will accept the results and work to rebuild Liberia.

Q: What are the challenges facing the new government?

A: After seven and one-half years of civil war, the challenges facing the new government are enormous. Paramount are national reconciliation, resettlement and reintegration of refugees and displaced persons, and economic recovery. We hope Taylor's government will address these issues based on the rule of law and protection of human rights.

Q: Is the U.S. planning to renew assistance to Liberia?

A: The United States remains concerned about the welfare and future of the Liberian people. We will examine the options available to contribute to Liberia's recovery.

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.

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.

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 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 cooperation with the French on all aspects of our shared efforts in Bosnia.

(if pressed, cannot comment on possible future operations)

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

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 effect 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 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: Did the North Koreans use the Nunn-Laney visit to send a message to the U.S. or South Korean governments? How would you characterized their discussions?

A: Following their trip to North Korea, Sen Nunn and Ambassador Laney provided both the U.S. and South Korean governments a brief overview of their discussions and observations. As their press statement released in Seoul indicates, they had frank and useful discussions with both Ministry of Foreign Affairs and Korean Peoples Army officials about promoting peace and stability on the Korean peninsula. We note that Sen Nunn and Ambassador Laney emphasized the value of four party talks and the need for the North to undertake economic and agricultural reforms to solve its long-term difficulties. We look forward to a more complete report of their discussions after they return to the United States.

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.

THOMPSON HEARINGS

July 24, 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.

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.

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.

July 22, 1997

Background: In late 1996 or early 1997, Chirstopher Meili, a guard at the Union Bank of Switzerland prevented the shredding of documents 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).

Q: When will the President take action on the bill?

A: The President has until July 30 to sign. We received last Friday. Don't know when the President will sign.

--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.

(Taken from Ken Bacon's DoD Briefing on July 22, 1997)

Q: Has Secretary Cohen had a chance to read the report? And if so, is he going to announce his decision this week or next week?

A" Probably next week, towards the end of the week, I would guess. And yes, he has read it and he continues to review it and to work on it. I would hope there will be a decision next week.

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.

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 judgment 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.