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Daily Press Guidance - August 1, 1997

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Daily Press Guidance

Friday
August 1, 1997

(For internal use only.)

Press Guidance
Friday, August 1, 1997

Domestic

1. **Line Item Veto** - Line-Item Veto
2. **Tobacco Tax** - Tobacco
3. **Jewell/Reno** - Jewell, Richard (NEW)

Economics

1. **Unemployment Rate** - fell 0.2%; 316,000 new jobs - UNEMPLOYMENT
2. **Purchasing Managers' Index** - rose 2.9% - ECONOMY

Foreign

1. NYC Terrorism Incident - LEIME
2. Middle East
3. Iran/Khatemi Inauguration
4. Tibet
5. Lebanon
6. Northern Ireland
7. Weld - APPOINTMENTS / NOMINATIONS
8. Fogleman
9. Fast Track
10. Thailand
11. Gulf War Illness
12. Canada Salmon
13. Dolphin Protection
14. Trips and Visitors
15. Nazi Gold
16. Russia/NIS
17. Russian Mir Situation
18. Bosnia
19. Cambodia
20. Korea
21. Thompson Hearings - CAMPAIGN FINANCE HEARINGS
22. Sayegh/Khobar
23. Haiti
24. B-2 Funding
25. Landmines



Lawrence J. Haas
08/01/97 11:35:22 AM

Record Type: Record

To: Barry J. Toiv/WHO/EOP

cc:

Subject: Line-item veto talkers

Talking Points

The Line Item Veto

August 1, 1997

* As you know, the President now has the authority to line-item veto spending or targeted tax items.

-- He needs to do so within 5 days of signing the overall bills.

* As a result, we will have to concentrate on both the spending and the tax bills in the coming days.

* Without that serious examination, I can't tell you about the likelihood that the President will, or will not, use the line-item veto.

Mike:

Under the line-item veto law, the congressional Joint Tax Committee has to identify the targeted tax benefits that are eligible for line-item veto.

The committee issued its report this week, prompting today's New York Times story and earlier stories.

For more details on how the line-item veto works, please see the one-pager that follows this page.

Line Item Veto Conference Agreement

- President may cancel any item of discretionary or direct spending or any targeted tax benefit, if he sends a special message to Congress identifying the item within 5 days of signing the bill containing the item.
- Cancellations transmitted to Congress are effective upon receipt by Congress, and remain effective unless overturned by a disapproval law ("enhanced rescission").
- The item veto may only be used on items in bills the President signs -- he may not veto items that become law without his signature.
- The President may cancel (not reduce) whole individual "items" of discretionary spending -- defined as any dollar amount in an appropriations bill or report, or any amount required to be allocated by a specific proviso in a bill or represented separately in explanatory text in a report.
- President may cancel only the amount of spending -- not conditions or restrictions on spending, such as the striker replacement language in the Labor/HHS bill.
- Targeted tax benefit authority is limited to provisions applying to 100 or fewer beneficiaries in a fiscal year (or transitional relief to 10 or fewer beneficiaries).
- Includes a "lockbox" mechanism: discretionary cancellations trigger automatic cap reductions, and paygo savings from cancellations are not put on paygo scorecard.
- The Congress has 30 session days following a cancellation message to consider disapproval legislation, under expedited procedures.
- Disapproval bills introduced in the House must disapprove all cancellations made with respect to a particular law. Bills introduced in the Senate may select particular cancellations. However, the bills may be amended in both chambers to alter the list of cancellations.
- The effective date of item veto authority is the earlier of January 1, 1997, or the date of enactment of a seven-year balanced budget bill.
- Item veto authority sunsets on January 1, 2005.

GUIDANCE ON TOBACCO TAX
AUGUST 1, 1997

- * A provision included in the tax bill by the Republicans permits the tobacco industry to take the revenues collected by the new tobacco tax as a "credit" against the cost to them of the tobacco settlement.
- * This provision was discussed in the negotiations. Our negotiators never agreed to it. However, it was put in the legislation. We were not aware that it would be put in the bill.
- * We oppose this provision. However, we do not consider it to be especially significant. The reason is that the settlement amount has not yet been established. Our review continues and, of course, Congress and the President will need to enact legislation.
- * We do not believe the industry should be permitted to reduce the contribution they make under this agreement as a result of the tobacco tax increase, so the Administration's very firm position will be that the final settlement cost for the tobacco industry needs to be sufficient to offset any benefit the industry would obtain from this provision.

TOIV

Reed, Lindsey, Hilley, Bowles (chking bowles)

WEEKLY MEDIA AVAILABILITY WITH ATTORNEY GENERAL JANET RENO U.S. DEPARTMENT OF JUSTICE 9:31 A.M. EDT THURSDAY, JULY 31, 1997 J-31-06 page# 1 (Excerpts)

dest=police, firear, fbi, drug, sjd, doj data

There has been funding in some measure for the courts initiative, which I think can make a difference.

I had an opportunity to meet with the State Chief Justices Conference, in Cleveland, this past Monday. It is exciting to see what courts are doing throughout the country, whether it be in drug-court initiatives, gun initiatives, aimed at youthful offenders. And I think appropriate and full funding, pursuant to the president's request, would give us some new and very effective tools at focusing on our court systems and what we can do to deter violence.

At the same time, as we have added police to the streets of America, as we have added corrections, one group we haven't focused on are the prosecutors. And again, I think we need to ensure, as we work with Congress, full funding for prosecutors pursuant to the president's budget request, to make sure that they can be an effective part of this effort.

Q This week, judiciary subcommittees in both houses of Congress reviewed the FBI's handling of the Richard Jewell matter, and the Department of Justice OPR report was presented in both cases. In the Senate, Senate Arlen Specter was highly critical, saying it is not candid or forthcoming because it did not conclude that the FBI violated Mr. Jewell's constitutional rights, specifically, his Miranda warning.

Are you satisfied with the OPR report? And is that the end of the matter, as far as you're concerned?

ATTY GEN. RENO: I think the OPR report speaks for itself.

I have not heard from Senator Specter. Obviously, I would always review any concern that he had.

Q How do you respond to Mr. Jewell's statement, yesterday, seeking vindication by FBI, by the Justice Department? Is this guy truly clean, and does he deserve some kind of an apology from you?

ATTY GEN. RENO: I think it's important -- one of the things that I have tried to stress is that we should not comment. We should ensure that there be no leaks, and I regret very much the leak that made him an object of so much public attention. And I really --

Q Any idea where it came from?

ATTY GEN. RENO: No.

WEEKLY MEDIA AVAILABILITY WITH ATTORNEY GENERAL JANET RENO U.S.
DEPARTMENT OF JUSTICE 9:31 A.M. EDT THURSDAY, JULY 31, 1997
J-31-06 page# 2

Q So the Justice Department doesn't owe him anything for all
he's gone through?

MORE

WEEKLY MEDIA AVAILABILITY WITH ATTORNEY GENERAL JANET RENO U.S.
DEPARTMENT OF JUSTICE 9:31 A.M. EDT THURSDAY, JULY 31, 1997
J-31-07 page# 1

dest=fbi,crime,sjd,doj
data

ATTY GEN. RENO: I think we owe him an apology. And as I've said, I truly regret the leak.

Q Ms. Reno, two current and two former chiefs and city council members were among six people indicted yesterday on federal conspiracy and bribery charges following a two-year undercover FBI corruption investigation. The attorneys for the defendants claimed the FBI was creating a crime where none existed by offering bribes to public officials. The question is, is it appropriate for the FBI to be offering bribes to public officials?

ATTY GEN. RENO: Again, when you have a matter like this, these issues are best raised in court, and it would really be inappropriate for me to comment because I could not go into all of the details of the investigation.

Q You might be able to answer this question, then. Defendants suggest that the FBI sting targeted minority officials. Do you have any comment?

ATTY GEN. RENO: Again, it is very important, since I cannot discuss the details of the investigation, not to comment but to leave all issues like this for appropriate disposition in the courts.

Q Ms. Reno?

Q How did the meeting with Fred Thompson go the other day?

ATTY GEN. RENO: We had a good meeting.

Q What did y'all talk about? (Laughter.)

ATTY GEN. RENO: His investigation and our investigation.

Q A little more detail?

Q How would you characterize the meeting? Obviously, you in the press in the last week have come under some fairly heavy criticism. Was the meeting -- did the meeting patch up any differences? How would you characterize the meeting?

ATTY GEN. RENO: Well, just -- we had a good meeting.

Q Ms. Reno, Senator Thompson's committee is getting ready to wrap up almost a month of hearings. Do you have any comment on how

dest=ad, fbi, drug, bus, sjd, doj
data

ATTY. GEN. RENO: Well, I'm used to the criticism. And we always -- if people have thoughts, we always try to pursue it to see if there is anything that we should be doing. But I think in any investigation like this, from what I have heard, there is always a tension between the two roles. And what is important is that we work together to minimize that tension because they are two different responsibilities. And that --

Q Has anything come out of the last month of hearings that you decided to pursue? Has anything come out in terms of new information?

ATTY. GEN. RENO: As you know, I can't comment on what we're pursuing.

* Q Ms. Reno, your statement about Richard Jewell, "I think we owe him an apology," should that be construed as a formal apology from the department, or are you contemplating one?

ATTY. GEN. RENO: I just think -- I'm very sorry that it happened. And anytime a situation occurs where there is a leak and it subjects a person to such public focus I think -- I'm sorry it happened.

Q It sure sounds like an apology.

ATTY. GEN. RENO: Well, I just said I -- I mean --

Q The reason it comes up is because somebody had reported that the Justice Department or the FBI would formally apologize to Mr. Jewell, and it hasn't really happened yet other than your saying you're sorry.

ATTY. GEN. RENO: Well, I think that's an apology.

Q That's an apology, right?

ATTY. GEN. RENO: I mean, sometimes you all puzzle me.
(Laughter.)

Q (Off mike) -- a financial settlement at all?

ATTY. GEN. RENO: I have not reviewed that.

Q Ms. Reno, if I could just -- (inaudible) -- following up on your announcement last week on the ADA, business owners complain that

you produce in the media, again, detracts from what we are trying to do.

And as I have said before, I try to be as accessible as I can. But as you well know now, I don't comment on a lot of things when they're pending. And the reason I don't comment is that these matters need to be resolved in a professional, thoughtful, orderly way.

And as Congress points out, they have a responsibility for oversight, and they need the information. And our issue is, "How do we work together to conduct our investigation the right way, and get them the information they need?" And sometimes, those two responsibilities are inconsistent and in conflict, and we've got to work through them.

Q Ms. Reno, back to the Jewell matter just a second. Have you, or will you, write him a letter apologizing?

ATTY GEN. RENO: I have not written him a letter. I have not considered writing him a letter.

I just think what is so important is that -- when there is not evidence to show that a person has committed a crime, it is important that the investigation be conducted not in the newspapers, not through leaks, but that it be conducted the right way in order to protect people.

And I think it's important, in this instance, that we do everything we can to see how it was released and that we do everything we can to see that it doesn't happen in the future. And I regret very much what happened to Mr. Jewell.

Q Well, pardon me, but your apology today seems -- I mean, it seems a little back-handed that -- just like it's come up, I mean; and this has been kicking around for some time. And it has been tried in the press and in the public; this case has been very, very visible.

Is your verbal apology today, sufficient?

MORE

dest=sjd,doj
data

ATTY GEN. RENO: I don't think any apology is sufficient when somebody has gone through what they have gone through -- what Mr. Jewell has gone through. And I -- what I need to do is to make sure that we take steps to try to avoid something like that in the future.

Q It sounds like an apology to the world as opposed to an apology to him.

ATTY GEN. RENO: If I could see Mr. Jewell, I would apologize to him.

(Cross talk.)

Q Would you not invite him to come visit you or write him a letter, have a telephone conversation with him?

ATTY GEN. RENO: I would be happy to talk to him.

Q Ms. Reno, I'm interested -- some -- the Department of Justice did write Mr. Jewell a letter in October, explicitly communicating with him that all of this issues had been raised. And that letter quite explicitly did not apologize to him for the way he was treated; it merely advised him that he was no longer a target. What has changed between October and now?

ATTY GEN. RENO: I have not changed. I have personally felt very sorry that the matter was leaked, very sorry that he was -- had that focus, and continue to be.

Q This subject came up at this table at that time, and at the time you explicitly refused to apologize to him for the way he was being treated.

ATTY GEN. RENO: Because at the time the matter was still under investigation and we were still reviewing it.

Q It sounds like you regret the leaks, but you're not mentioning the way he says he was handled, that he was videotaped as part of a ploy -- making a training tape -- that he was given his Miranda warnings insufficiently, and that the search warrant was issued on an affidavit that didn't constitute probable cause. But it doesn't sound like you're apologizing or expressing regret for any of that.

ATTY GEN. RENO: What I'm concerned about is that he was the subject of such public attention. I don't think that's right.

WEEKLY MEDIA AVAILABILITY WITH ATTORNEY GENERAL JANET RENO U.S.
DEPARTMENT OF JUSTICE 9:31 A.M. EDT THURSDAY, JULY 31, 1997
J-31-11-E page# 2

With respect to the other issues, the OPR report should speak for
itself.

Other questions?

Thank you.

Q Thank you very much. (Chorus of thanks.)

END

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

August 1, 1997

MEMORANDUM FOR MICHAEL MCCURRY

FROM: JANET L. YELLEN *Janet L. Yellen*

SUBJECT: Employment and Unemployment in July, Labor
Department Release, Friday, 8:30 a.m.

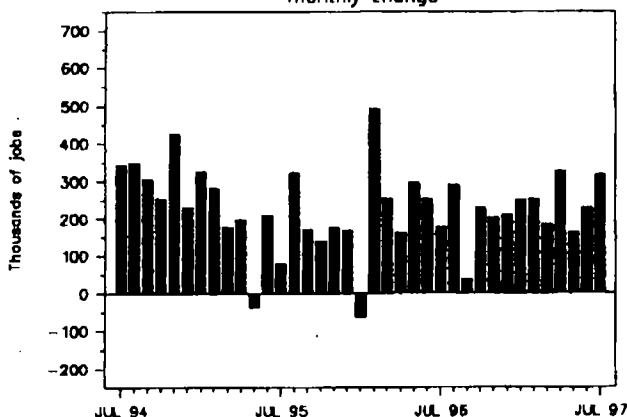
The unemployment rate fell 0.2 percentage point in July to 4.8 percent. Markets had expected no change.

Nonfarm payroll employment rose 316,000 in July--much more than market expectations. Since January 1993, payroll employment has increased 12.9 million.

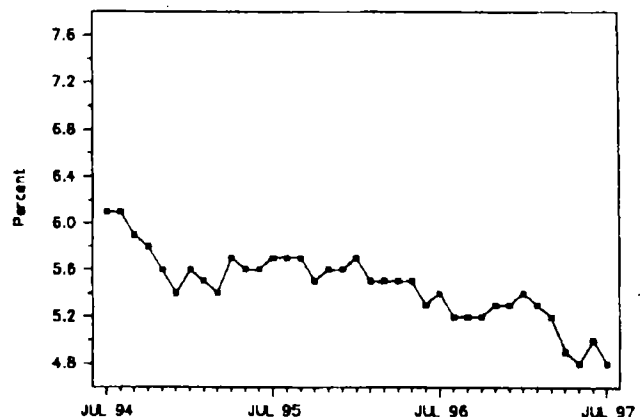
- Private employment rose 260,000, which is higher than the average monthly pace of 212,500 that was set during the first 6 months of this year. There were continued gains in the services industries (113,000), and a substantial increase in retail trade employment (65,000). Construction and manufacturing employment were little changed in July.
- Average hourly earnings were unchanged in July; markets had expected an increase. Earnings have increased 3.6 percent over the past 12 months, up from a 3.1 percent increase during the year-earlier period.
- Aggregate production-worker hours fell 0.5 percent as a result of a decline in the average workweek. The drop in production-worker hours makes this report weaker than the strong job creation figures, taken alone, would suggest.

The large difference between total and private employment growth is primarily accounted for by a sharp reported increase in local school employment. This increase is likely spurious--an artifact of changing seasonal hiring patterns that are not yet captured in BLS's seasonal adjustments.

NONFARM PAYROLL EMPLOYMENT
monthly change



CIVILIAN UNEMPLOYMENT RATE



The Economy Remains On The Right Track: Low Unemployment, Strong Job Growth, And Low Inflation

August 1, 1997

TODAY'S DATA SHOW CONTINUED JOB GROWTH WITH HISTORICALLY LOW UNEMPLOYMENT.

- **Unemployment fell to 4.8 percent, as low as it's been in 24 years.**
 - The July unemployment rate was 4.8% -- its 35th consecutive month below 6% and as low as it's been since 1973. The unemployment rate for the second quarter of 1997 was just 4.9% -- the lowest for any quarter since 1973. In 1992, the unemployment rate was 7.5%. [Source: BLS.]
 - The combined rate of unemployment and inflation has been lower under President Clinton than any other Administration since Lyndon Johnson was President. [Source: Based on data from BLS.]
- **12.9 Million New Jobs.**
 - During the Clinton Administration, the economy has added 12.9 million new jobs -- a faster annual rate of job growth (2.5 percent per year) than *any* Republican Administration since the Roaring 1920s. [Source: Based on data from the Bureau of Labor Statistics, Current Employment Statistics survey.]
 - The economy has added 2.7 million jobs over the past year.
- **Strong Private-Sector Job Growth.**
 - Over the past year, the private sector has added 2.4 million jobs -- much more than during the entire four-year period before President Clinton took office. [Source: Based on data from BLS.]
 - 93 percent of the 12.5 million new jobs under President Clinton have been in the private sector. [Source: Based on data from BLS.]
- **Turning The Corner In Basic American Industries.**
 - After losing 667,000 jobs in construction during the previous four years, 1.1 million new construction jobs have been added since January 1993 -- that's a faster annual rate than any other Administration since Harry S Truman was President.
 - After losing 35,000 jobs in the auto industry during the Bush years, we have 127,000 new auto jobs since President Clinton took office. [Source: Bureau of Labor Statistics, Current Employment Statistics survey.]

YESTERDAY, WE LEARNED THAT THE ECONOMY GREW BY 3.5 PERCENT AT AN ANNUAL RATE IN THE FIRST HALF OF THIS YEAR WHILE INFLATIONARY PRESSURES REMAIN LOW. BUSINESS INVESTMENT HAS GROWN BY 11.3 PERCENT PER YEAR SINCE

PRESIDENT CLINTON TOOK OFFICE -- THE FASTEST FOR ANY ADMINISTRATION SINCE JOHN F. KENNEDY WAS PRESIDENT. THE ECONOMY CONTINUES TO EXPERIENCE ROBUST GROWTH, STRONG INVESTMENT, AND LOW INFLATION.

EXPERTS AGREE THAT THE AMERICAN ECONOMY IS STRONG:

- **Alan Greenspan, Chairman of the Federal Reserve, 7/22/97:** "The recent performance of the economy, characterized by strong growth and low inflation, has been exceptional--and better than most anticipated."
- **David Berson, chief economist, Fannie Mae, 6/14/97:** "What we have now is the best combination of sustained growth and low inflation that we have had in at least a decade."
- **Fortune, 6/9/97:** "Business is booming, inflation is falling, jobs are plentiful, and American industry is way out in front. The U.S. economy is stronger than it's ever been before."
- **Business Week, 5/19/97:** "Clinton's 1993 budget cuts, which reduced projected red ink by more than \$400 billion over five years, sparked a major drop in interest rates that helped boost investment in all the equipment and systems that brought forth the New Age economy of technological innovation and rising productivity."

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

August 1, 1997

MEMORANDUM FOR MICHAEL MCCURRY

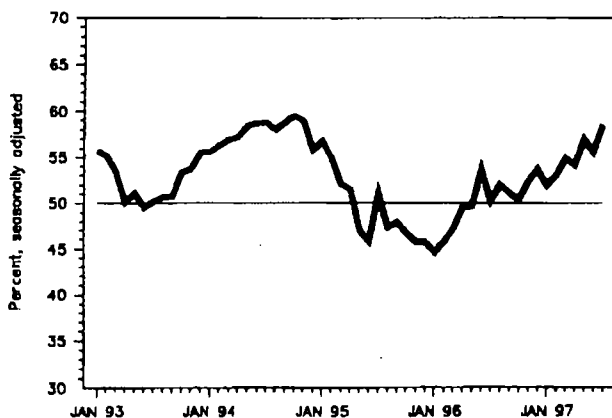
FROM: JANET L. YELLEN *Janet L. Yellen*
SUBJECT: National Association of Purchasing Management (NAPM)
National Report, Friday, 10:00 a.m.

The Purchasing Managers' Index increased 2.9 percentage points in July to 58.6 percent--a much larger increase than markets had expected. The level of the index remains substantially above 50 percent, so that this report--taken by itself--suggests that manufacturing output continues to grow robustly.

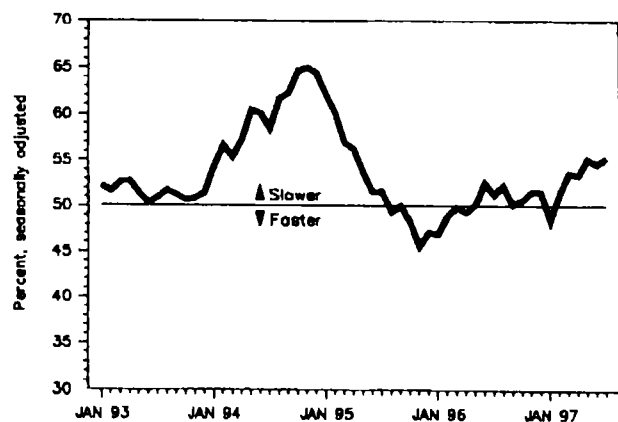
- Delivery lags from suppliers grew longer in July, and have lengthened in 14 of the past 15 months (chart at lower right). An increase in delivery lags can be an indicator of bottlenecks.
- The price index increased in July, with more firms reporting rising prices than falling prices for the commodities they purchase.
- New export orders increased in July--the seventeenth consecutive monthly increase.

Although this report suggests another increase in industrial production, the lower figure for production-worker hours in today's employment report and declines in motor vehicle assemblies imply a decline in industrial production.

NAPM COMPOSITE INDEX



NAPM SUPPLIER DELIVERIES INDEX



NYC TERRORISM INCIDENT

August 1, 1997

- This matter is being handled by an interagency terrorism task force in New York comprised of federal, state, and local law enforcement officials, led by the New York Police Department and the FBI.
- We don't know who the individuals were or what their intentions might have been.
- The site is being secured. We have no reason to believe there is any risk to the public. The investigation is ongoing.

Q: Were these Palestinians?

A: We don't know the identities or nationalities of those involved and therefore have no comment.



U.S. Department of Justice

Federal Bureau of Investigation

Washington, D.C. 20535

Police Department
New York City
&
The Federal Bureau of Investigation

July 31, 1997

As you already know, today the New York City Police Department Emergency Services Unit responded to 248 Fourth Avenue, Brooklyn based upon information received that explosive devices were present. Upon entering they encountered two individuals in a small room, both of whom sought to detonate what was believed and later confirmed to be an explosive device. As a result, the officers fired and the two individuals were wounded. They were taken into custody and are currently undergoing medical treatment. A third individual was taken into custody at the scene. The two individuals who were shot are being held pending further proceedings in Federal District Court in Brooklyn. The third individual is being held in detention by the United States Immigration and Naturalization Service.

A subsequent search of the apartment by the NYPD Bomb Squad and FBI Bomb Technicians located five pipe bombs which were apparently being prepared for use in one or more devices. The five bombs were seized and later rendered safe by the NYPD Bomb Squad. A further search of the apartment by the FBI/NYPD Joint Terrorist Task Force pursuant to a Federal search warrant is underway.

Evidence gathered up to this point has revealed that the two individuals who were shot were planning to target United States and Jewish interests worldwide. The FBI/NYPD Joint Terrorist Task Force, which is heading up the investigation, has already begun the process of making appropriate notifications both in the United States and abroad.

Recent experience throughout the country and overseas, coupled with today's events in NYC, once again emphasized the ongoing necessity for all Americans to be vigilant and highly alert to possible acts of terrorism. Any such activities observed, or suspected, should be reported immediately to the FBI or local enforcement authorities.

###

MIDDLE EAST PEACE PROCESS

July 30, 1997

Q: Will Secretary Albright go to the Middle East?

A: There is no current plan for her to travel there, but, yes, at some point he will send her. Obviously we'll be making that decision as we continue to assess the situation. She will go when her presence will make a difference.

Q: Will Dennis Ross still travel to the region?

A: Yes. His trip has been postponed while the people of Israel mourn their tragic loss.

Q: The Administration have been criticized for not being personally involved in the peace process – is this fair?

A: We totally reject that. The President have been intimately involved on a continuous basis – and his senior people have been intensely engaged on a sustained basis for a very long period of time. They continue to work very hard, and will not be deterred by recent events.

Q: Will the Middle East team meet again today? Was the President briefed after yesterday's meeting?

A: Yes, they'll be in consultation during the day. Sandy Berger briefed the President last night.

Q: Is there a relationship between the raid yesterday in Brooklyn and the bombing in Jerusalem?

A: We have seen no evidence to that effect, but there is an on-going investigation so I'm not going to comment.

Q: Isn't this recent bombing just one more example of the Palestinian side failing to live up to its obligation to prevent terrorism and violence?

A: We have always said that there can be no progress without the foundation of security cooperation and the maximum efforts of the parties to create it in a sustained and systematic way.

Anything short of that is just not good enough. There can be no tolerance for violence or terror.

We can't say whether this incident was or was not within the power of the Palestinian Authority to prevent.

Q: There were interim status talks set to begin – have they been suspended?

A: They have been suspended. The Israelis and Palestinians had agreed to resume formal discussion of issues like safe passage between the West Bank and Gaza, and the opening of the Gaza airport. These talks could have produced immediate and tangible benefits.

We worked to get them started and welcomed the parties' decision to go forward. Obviously their suspension is a disappointment.

Q: Is it true that the President had a new package of proposals to get the talks going?

A: You know that we don't discuss details of our discussions with the parties, and we are not going to start now. It's crucial that we maintain our ability to serve as an honest broker in this process.

Q: Israeli TV is reporting that its government had threatened to send commandos into Palestinian areas, and that one of Arafat's people said that this would amount to an act of war. Could you comment?

A: What's needed now is full security cooperation between the two parties – We won't be drawn into commenting on hypothetical situations.

Q: Will you now proceed to certify Palestinian compliance with the requirements of the Middle East Peace Facilitation Act (MEPFA)?

A: That question was already under review within the Administration. Obviously we will need to know more about what happened before deciding whether this incident affects that question.

Q: Isn't this the kind of violent reaction we should have been expecting, given the Palestinian frustration at Israel's backsliding on the peace process?

A: Lack of progress in the peace process is always of concern to us because of the risk it will lead to an outbreak of violence. But this was not a spontaneous act of frustration. This was deliberate terrorism on the part of the enemies of the peace process, it was cowardly and it cannot be justified.

Q: Does this mean the end of the Peace Process?

A. No. The process has been through tough times before. Our determination to pursue it remains constant.

Q: Has the US done enough for peace, weren't you neglecting the process by not sending the SecState?

A: The US has been intensely involved in trying to get the process back on track for the last four months, including very deep personal involvement of the President.

This week there were signs of some progress in the process. The PA and Israel announced resumption of the interim status talks dealing with the airport and harbor in Gaza and safe passage to the West Bank. Ambassador Ross' planned trip was intended to build on that progress.

Q: How does the US view PA efforts to combat terrorism?

A: The United States continuously reminds the Palestinian Authority of its security obligations under the Oslo agreement.

We press Chairman Arafat to give maximum security cooperation to Israeli authorities. He has assured us that he takes seriously, and is actively pursuing, Israeli concerns about possible involvement of Palestinian security officials in attacks on Israelis.

We are not in a position to say whether or not the Palestinian Authority should have been able to prevent this incident.

But we emphasize that security is not just a some-time thing; it is a constant, every-day obligation for the Palestinians.

It's not just expressing condolences, it's about condemning such actions as harmful to the Palestinian people. And it's not just saying the right thing, it means showing by clear, public steps that Palestinian security officials are serious about tracking and capturing terrorists.

Q: Do you see the bombing as aimed against the US and Ross' trip, or against the resumption of the interim status talks?

A: I can't speculate on the motives.

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 Moscowitz, 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 he PM's view will prevail?

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

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: 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.

IRAN/KHATEMI INAUGURATION
July 28, 1997

Q: Does the U.S. decision not to oppose the construction of a pipeline in Iran represent a change in policy?

A: There has been no change in policy, or any signal regarding our policy toward Iran.

It is US law (ILSA) and policy to seek to deny Iran the resources it needs to pursue terrorism and weapons of mass destruction by means of deterring investment in Iran's oil and gas sectors.

We are applying that law diligently.

Turkey has decided to buy gas from Turkmenistan instead of from Iran. That arrangement with Turkmenistan is not sanctionable under ILSA.

The bottom line is that Turkey is not going to buy gas from Iran under this deal.

Under ILSA we are continuing to monitor these and a variety of other deals that may involve significant investment in Iran's oil and gas sectors, including pipelines.

Q: Any comment on Khatemi's inauguration?

A: We note the broad participation of the Iranian people in last May's regularly scheduled election. We respect the voice of the people of Iran in electing Mohammed Khatemi President of the Islamic Republic of Iran.

At the time of the election, President Clinton stated that he found the results of the election to be an interesting, important, indeed, a hopeful development.

The President also stated, however, that we still have concerns about Iranian behavior, including its attempts to acquire weapons of mass destruction and their means of delivery, its support for terrorism and its support for violent opposition to the peace process.

These types of Iranian behavior have been the cause of the estrangement which exists not just between the United States and Iran, but more broadly between Iran and the international community.

Mr. Khatemi's assumption of his responsibilities as President may represent an opportunity for Mr. Khatemi and others in the government to begin to turn the situation in a positive direction.

We will be watching carefully for signs of such a development.

Q: The Washington Times reported that Secretary Albright will name a special coordinator for Tibet. Any comment?

A: Secretary Albright has agreed to appoint a Special Coordinator for Tibetan Issues. This individual will coordinate U.S. Government activities that affect Tibet and ensure that they receive appropriate attention. A central objective of this position will be to promote substantive dialogue between the Government of the People's Republic of China and the Dalai Lama or his representatives. The Special Coordinator will also vigorously promote American policy of seeking to protect the unique religious, cultural, and linguistic heritage of Tibet and press for improved respect for human rights. We anticipate that the Special Coordinator will continue our policy of maintaining close contact with religious and cultural leaders of the Tibetan people.

Because the United States regards Tibet as part of China, however, the Special Coordinator's contacts with Tibetan cultural and religious leaders will not constitute any form of diplomatic recognition of a Tibetan government in exile or promote the independence or secession of Tibet from China. Like every other country in the world, the United States regards Tibet as part of China. This has been our position since at least 1942, and it has not changed.

Q: Is this a reflection of worsening U.S. concerns about the human rights situation in Tibet?

A: We have expressed many times our concerns about the human rights situation in Tibet. For further information, I would refer you to our human rights report.

Q: Who will be appointed to the position of Special Coordinator for Tibet?

A: The Secretary has not yet designated the coordinator.

Q: When will the Special Coordinator be named? Will it be prior to the state visit of Jiang Zemin? Will it be before November 1?

A: We expect the coordinator will be named in the near future.

Q: Have you informed the Chinese of this decision? What was their reaction? What effect will this have on U.S.-China relations?

A: We informed the Chinese of this decision. I would refer you to the Chinese Embassy for their reaction.

We do not believe this decision should affect U.S.-China relations. The appointment of a Special Coordinator for Tibetan Issues is consistent with our long-standing policy of

seeking to protect the unique religious, cultural and linguistic heritage of Tibet and of pressing for improved respect for human rights. As such, we see no reason why it should damage U.S.-PRC relations.

Expiration of the Passport Restriction

Q: Why has the Administration decided not to renew the Lebanon passport restriction?

A: The Passport restriction on travel to Lebanon has been received by the Secretary of State every six months since 1994 in light of the evolving security situation in that country.

The passport restriction was imposed in 1987 to ensure the safety of American citizens, which is our paramount concern.

We now believe we can address our security concerns through our travel information system and the Department of Transportation's restriction on air service to Beirut International Airport.

Q: If it is so dangerous, why did we lift the passport restriction?

A: We remain strongly concerned about the safety of Americans in Lebanon, but recognize that some Americans have compelling reasons to accept the risks. Americans who travel to Lebanon should understand the risks as explained in the Travel Warning.

The expiration of the passport restriction should not in any way be construed as a determination by the Administration that it is safe for Americans to travel to Lebanon. The Administration will keep the situation under close review and will issue additional warnings and take any other appropriate steps that may be required.

Travel warnings are used to warn against travel to many dangerous countries in the world. We rarely use travel restrictions to deter travel to them. As of August 1, 1997 restrictions will remain in place on travel to Iraq and Libya.

Q: Is it true that thousands of Americans have traveled to Lebanon in the past years in defiance of the passport restriction?

A: It is important to recall that this was not a travel ban, but rather a restriction on the use of the U.S. Passport.

Many of those who have been traveling to Lebanon are dual nationals who may have used other travel documents.

Q: What is your advice for U.S. citizens traveling to Lebanon?

A: The State Department recommends Americans not travel to Lebanon. For that reason, we have a strong travel warning.

U.S. citizens who chose to travel to Lebanon are advised through the Travel Warning to take necessary precautions to ensure their safety.

The consular information sheet for Lebanon provides more specifics on the current security situation and recommends that U.S. citizens who travel to Lebanon register with the Embassy.

Q: Has the security situation in Lebanon improved?

A: Yes, but it remains a dangerous place.

Q: Are there any other U.S. government restrictions for Lebanon?

A: The U.S. has no trade sanctions and no special export-licensing requirements for Lebanon.

The Department of Transportation continues to have restrictions on ticketing, as well as on air cargo originating in Lebanon and on landing rights in the US by Middle East Airlines. I would refer you to the Department of Transportation for questions on those restrictions.

Q: How many passports have the U.S. government been validating for travel to Lebanon annually?

A: The State Department received over 1200 requests for passport validation in Fiscal Year 1996. Of these 1200, about half were granted, mostly for humanitarian situations involving ill close relatives.

NORTHERN IRELAND

July 29, 1997

Q: Is it true that a visa waiver has been granted to a Sinn Fein official, Joe Cahill?

A: Yes, Cahill has been issued a waiver for a visit here in early August. He received several visas during the earlier ceasefire.

If asked: We understand Cahill is not going to engage in fundraising activities.

Q: Will you grant Adams a visa? What about fundraising?

A: Hasn't applied but note that Adams was granted visa waivers during earlier ceasefire.

If asked: Adams was permitted to participate in fundraising events for Sinn Fein during previous ceasefire. A monitoring system was and remains in effect that allows FBI to be sure funds used for Sinn Fein political activities.

Q: What did the President and Prime Minister Blair have to say about Northern Ireland in their July 27 phone conversation?

(Note: The British have released the fact of the call and that it dealt with Northern Ireland, the Middle East, and scheduling Blair's visit here.)

A: President and Blair spoke on Sunday for 25 minutes – topics were Northern Ireland, Middle East and scheduling an official visit for the Prime Minister.

On Northern Ireland, President expressed support for British government's efforts – together with Irish government—to bring about negotiated settlement, made clear his commitment to process and readiness to support it.

If asked: Talks expected to adjourn today, resume in fall. Pleased that UUP decided to stay in the talks rather than walking out.

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.

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: 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 will reconvene in September, 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 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..

WELD
July 30, 1997

Q: Any updates on Weld's schedule?

A: Having already been at the White House, He will make a number of courtesy calls on the Hill. He already has meetings scheduled with State Department officials.

A. Background

General Fogleman today submitted to the Secretary of the Air Force a request to retire on September 1, 1997. He has been Chief of Staff of the Air Force since October 1994.

B. Points to be Made

General Fogleman is a dedicated patriot who has served his country in peace and war for 34 years. He has been an eloquent and forceful advocate of air and space power whose judgment and advice will be missed by the President.

C. Questions and Answers

Q. Did the President ask for General Fogleman's retirement?

A. No. The decision was General Fogleman's.

Q. Did the President ask General Fogleman stay on and not retire?

A. No. The decision to approve General Fogleman's request was made by the Secretary of the Air Force.

Q. Doesn't an early retirement like this imply that General Fogleman is departing under a black cloud or out of favor with the President and Secretary of Defense?

A. Certainly not. General Fogleman has served honorably for 34 years and has been an outstanding Chief of Staff whose judgment and advice are valued by the President. His record stands on its merits.

Q. Is General Fogleman's retirement linked to the DoD review of the Khobar Towers bombing?

A. The Secretary of Defense has not issued his conclusions on the Khobar Towers bombing and has not yet briefed the President on them.

Q. But isn't this a protest of DoD criticism of the Air Force over the Khobar Towers bombing, or the last straw after the Kelly Flinn case?

A. You will have to refer those questions to General Fogleman.

Q. Does the President agree with the findings of the DoD review of the Khobar Towers bombing?

A. The President has not been briefed on those findings. He will be after the Secretary of Defense has reached his conclusions. I expect the briefing will be in the near future.

Q. Has the President decided on a nominee to be the next Chief of Staff of the Air Force?

A. No. The Secretary of Defense has not recommended a nominee to the President.

Q. The Clinton Administration seems to have had trouble with its senior military leadership, much more so than previous administrations. Admiral Boorda, General Ralston, and now General Fogleman have had their careers cut short. Is there a problem between the President and the military leadership?

A. No. The President has excellent relations based on mutual trust and open communications with the uniformed leadership of the military. The cases you mentioned are unrelated. As I said before, the President did not intervene in General Fogleman's decision to request retirement or Secretary Widnall's decision to accept his request.

Q. Isn't an early retirement like this extremely unusual?

A. Uncommon but not unprecedented. I want to emphasize that unlike some past instances in which a Service Chief did not serve four years, the President did not ask General Fogleman to step down. The decision to retire was General Fogleman's.

Q: What is the purpose of the President's meeting with members of Congress?

A: The President expressed 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.

Q: What can you tell us about the current negotiations between the IMF and Thailand about an assistance package?

A: We welcome the decision by the Thais to negotiate with the International Monetary Fund as a constructive step. The Treasury Department will continue to follow the talks between Thailand and the IMF closely.

(If asked about the size of the IMF program)

While various numbers regarding the size of a program have been bantered about, it would be a mistake to speculate on the appropriate size of a program until there has been a clear identification of the needs based upon an analysis of the relevant data.

(If asked regarding a possible U.S. financial contribution)

We have an important role to play and interests to safeguard in the resolution of Thailand's difficulties. As the largest shareholder in the IMF and World Bank, the U.S. will have an important role in setting the parameters for an assistance package and ensuring that the required Thai policy reforms are strong and credible.

Background

In Mid-May, Thailand experienced significant exchange rate pressures and responded by imposing capital controls. After a prolonged attempt to defend the baht, Thai authorities allowed the baht to float on July 2. The baht has since depreciated by 22%. News that Thailand is finally seeking an IMF assistance package was greeted favorably by the market. However, failure to reach agreement with the IMF could lead to further turbulence in Thai markets. The disturbances surrounding the baht have spilled over into the region; however, the effects have not been as pronounced as in Thailand.

GULF WAR ILLNESSES

August 1, 1997

Q: What is your response to the allegations that DOD is suppressing a report that contradicts reports released by DOD's special assistant for Gulf War Illnesses?

A: The MITRE study referred to during the PAC hearing is a highly-classified report commissioned by the Secretary of Defense's Assistant for Intelligence Oversight. This report is part of DOD's ongoing effort to get out all the facts about what we knew about Iraqi chemical warfare capabilities before, during, and after the Gulf war. An early draft of this report contained a preliminary assessment about one of the incidents being comprehensively investigated by DOD's Special Assistant for Gulf War Illnesses. DOD has already shared the draft of this highly-classified report with appropriately cleared PAC members and staff. At the PAC's request, DOD is also in the process of preparing a redacted version for wider distribution within the PAC.

The President has said he will leave no stone unturned in the quest for answers as to why Gulf War veterans are sick. Both the final Intelligence Oversight report, when available, and the rigorously-researched narratives being released on an ongoing basis by DOD are illustrative of the numerous significant efforts to fulfill the President's pledge currently underway.

Q: What is the significance of the UN announcement before the PAC about a second nerve gas exposure incident in the Gulf War.

A: The UN Special Commission (UNSCOM) briefed the PAC on the results of their survey of a chemical weapons storage site in the Kuwaiti theater known as Ukhaydir (U KI DIR). The existence of chemical weapons at the site was made known to the UN only last year.

CIA and DOD have reviewed the results of the UN surveys and have already done some preliminary modeling of the nerve agent release possible from the air campaign bombing of Ukhaydir. Thus far, none of the modeling has shown that the agent reached U.S. troops.

CIA and DOD have recently completed work on a sophisticated suite of models which was used to determine the extent of possible exposures at Khamisiyah. They will apply that approach to the Ukhaydir event. It will be publicly briefed when the work is completed. (DOD and CIA have not yet given us an estimated completion date.)

The President is committed to uncovering all the facts that can be known about the War that may be useful to determining why veterans are ill. The teams working for the DOD and CIA special assistants for Gulf War illnesses have done an excellent job of

researching each event and making their work public. We expect they will do the same with this event

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.

CANADA SALMON

July 29, 1997

Q: What is Canadian Fisheries Minister Anderson doing here?

A: Minister Anderson is here for consultations with Administration and members of Congress on salmon issue. Refer you to Canadian Embassy for details.

Q: What was accomplished in the meeting last week 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.

DOLPHIN PROTECTION

July 22, 1997

Q: Any comment on the Tuna-Dolphin bill?

A: We are very pleased that a compromise has been reached that is acceptable to all parties. This compromise will protect dolphins and other marine life in the Eastern Tropical Pacific.

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 28, 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: Press reports have mentioned October 28 as a possible arrival date for PRC President Jiang Zemin's State visit to the U.S. What can you tell us about plans for the visit?

A: President Clinton and President Jiang earlier agreed to an exchange of state visits. Our two governments are discussing plans for President Jiang to visit the U.S. before the end of this year.

Q: Do you agree with Senator D'Amato that action should be taken against the Union Bank of Switzerland unless it apologizes to former guard Meili?

A: In our view, absurd to consider prosecuting Meili for violating bank secrecy under these circumstances. In any case, now he is in U.S.; President has signed private bill that allows him to stay. Wish him well here.

If pressed: At this time, we are not in favor of restrictions on our normal commercial relations with Switzerland. Swiss are making serious efforts to uncover truth about Nazi assets and fund efforts to for victim relief. UBS itself has contributed to the "Special Fund" for Holocaust victims, now valued at 265 million Swiss francs.

Q: Any comment on the list of dormant accounts the Swiss banks have now published? Doesn't it prove they did not live up to their postwar agreement?

By publishing names attached to dormant accounts and expediting claims procedures, Swiss have simplified search for legitimate heirs to unclaimed accounts. Vital that this process move forward quickly. Hope this development will be foundation for further progress this year.

Paul Volcker and members of his committee and Swiss Bankers Association deserve credit for this initiative.

Refer to USG report published in May for more detail on the postwar agreement with the Swiss on dormant accounts.

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.

Current

Aliyev Visit

- Azeri President Aliyev in Washington July 29-August 1; will see President August 1.
- U.S.-Azeri relations have broadened over last few years. Presidents Clinton and Aliyev will address this, prospects for future growth in relationship. Expect Presidents will also discuss:
 - how political and economic reform in Azerbaijan is progressing;
 - prospects for Nagorno-Karabakh settlement, including U.S.-Russian-French efforts, as co-chairs of Minsk Group process, to promote peace, which is key to regional stability, prosperity and cooperation;
 - development of Caspian energy -- in which U.S. companies have large and growing stake -- and which can help meet growing world energy demand and provide resources to fuel economic development of Caspian countries; and
 - security issues and Azerbaijan's integration into European institutions, such as Euro-Atlantic Partnership Council.
- Vice President will join President's discussions with Aliyev. Aliyev will also see Albright, Rubin, Cohen, Pena and Daley.

Aliyev to Sign Oil Contracts at White House?

- Understand a number of American companies have worked very intensively with Azerbaijanis to complete contracts for oil development in Caspian. Strongly support this commercial cooperation.
- Hope these contracts will be signed as part of Aliyev's visit to White House. We are working with Azerbaijanis to finalize arrangements.

Why Meet ex-KGB, Authoritarian Aliyev?

- Aliyev is President of Azerbaijan. In U.S. national interest to engage former Soviet republics, encourage them to develop into stable market democracies. Direct dialogue also important to promote peace in Nagorno-Karabakh, regional cooperation in Caucasus and development of Caspian energy resources.

Administration Considering Removing Section 907 Restrictions by Executive Order?

- Strongly support repeal of Section 907, which undercuts U.S. leverage and complicates our ability to play honest broker. Also makes it impossible to provide Azerbaijan assistance in areas such as elections and economic reform which are in our interest.

Controversy in Russia over Syazinvest Privatization

- Not in position to comment on details. Russian government auctioned 25 percent of largest Russian telecommunications firm and promised to award contract to highest bidder. Support principle of setting clear guidelines for privatization and sticking to them. Russia appears to be moving in this direction, and we encourage that.

General

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.

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 essential prerequisite to begin START III.

RUSSIAN MIR SITUATION

July 31, 1997

Background

Aside from its damaged module and its diminished power capability, Mir is operating normally. Michael Foale continues to conduct scientific research in Mir's core module.

Talking Points

- NASA, in consultation with the Russians, has designated David Wolf, and not Wendy Lawrence, to be the replacement crew member for Michael Foale aboard Mir. (Wolf had originally been scheduled to replace Lawrence at the conclusion of her mission in early 1998.)
- Lawrence, who is too small to effectively operate the Russian spacesuits to be used in the repair spacewalks, will still fly as a member of the Shuttle crew on the mission that will deliver Wolf to Mir. However, she will return with the Shuttle.
- The Shuttle mission may be delayed by up to 10 days to give Wolf additional time to train as a backup participant in the Mir repair spacewalks.
- The final decision to send Wolf still depends on restoration of the power from the damaged module and on the results of NASA's internal and external review of Mir safety.
- 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 Late Sept. (pending NASA review) Launch of Shuttle with U.S. astronaut David Wolf 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: Was Lawrence replaced because she was a woman?

A: Absolutely not. Lawrence simply is too small to effectively operate the Russian spacesuits that will be used during the repair spacewalks. (Her original mission had not been expected to include any spacewalks.) Although the U.S. astronaut is not currently expected to participate in the repairs, NASA concluded it was necessary for the U.S. astronaut to be able to substitute for one of the Russians, should the need arise.

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.

Holbrooke Trip

- Ambassador Holbrooke has agreed to accompany Ambassador Gelbard (Special representative of the President and the Secretary of State for Implementation of the Dayton Accord) on a visit to the Balkans next week.
- As part of our across-the-board re-energized effort on Bosnia, Ambassador Holbrooke's knowledge of the players and the issues will provide invaluable continuity.
- Holbrooke and Gelbard will carry the same message articulated at Sintra (PIC Ministerial Steering Board), Denver, and Madrid, by the U.S. together with its allies and partners:
 - We expect concrete action by each of the Parties to fully implement their commitments under the Dayton Accord
 - All assistance, every benefit will be conditioned on each party's performance; we will actively seek to penalize those who fail to honor their commitments.

New Policy towards police?

- Dayton provides the latitude for SFOR to take whatever action it deems necessary to protect its troops.

(if asked about specific plan to act against Bosnian Serb Special Police)

Naturally, we are not going to respond to hypotheticals that might concern military operations.

Q: Any comment SFOR's efforts on helping refugees?

A: Helping refugees is an essential element to the successful implementation of the Dayton Agreement.

We are pleased to see that SFOR troops continue to make a difference on the ground, creating a secure environment for refugees to return home.

(If asked about June 98):

As we've said before, the present operation will have run its course by then. We should be discussing in the meantime what, if any, involvement the United States should have after than.

Recent Attacks on SFOR

- We take seriously the spate of incidents aimed at SFOR and other parts of the international community in Bosnia.
- Any effort to intimidate the international community is unacceptable.
- Together with our NATO partners, we are making it clear to appropriate authorities that this must cease.
- (if asked) We are not going to discuss hypothetical consequences.

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: Can you comment on Secretary Albright's statements in Singapore about Pol Pot and his recent show trial by the Khmer Rouge?

A: The United States continues to attach great importance to bringing Pol Pot and other Khmer Rouge leaders to justice for their atrocities against the Cambodian people.

We regard the recent show trial of Pol Pot and three of his Generals, and Pol Pot's sentence of life under house arrest, to be a complete legal farce.

We are continuing actively to explore with our friends and allies in the international community, including at the United Nations, various options for bringing Pol Pot and his henchmen to justice before some form of international tribunal should he be delivered into the custody of responsible authorities.

Given the current confused state of affairs in Cambodia, it would be premature and imprudent to speculate publicly on what might be the best type of forum for such procedures. But no one in Cambodia should be under the illusion that our determination to pursue those options is diminished because of the Khmer Rouge show trial of Pol Pot.

Q: Does the Khmer Rouge trial of Pol Pot raise a defense of double jeopardy for Pol Pot and the three generals?

A: No. In our view the show trial clearly does not invoke the principle of double jeopardy, both because of the show trial's obvious flaws and because it has no effect whatsoever on an international prosecution of Pol Pot and Khmer Rouge leaders.

Q: Does the United States support the establishment of an international criminal court?

A: Yes. The President has long expressed his support for the establishment of a permanent international criminal court that meets our requirements for effectiveness, due process, and broad participation by countries across the globe. The United States is actively engaged in U.N. negotiations currently underway. We are working very hard to finalize the text of a statute for such a permanent court and moving on to a diplomatic conference.

Note to Briefer : A permanent court would not have retrospective jurisdiction, and thus could not prosecute Pol Pot for atrocities of the 1970's.

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

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

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

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

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

Q: What is the status of events in Cambodia?

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

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

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

A: The Secretary made repeated efforts to arrange a meeting with the two co-Prime Ministers in conditions that were acceptably secure. We were well aware of the deteriorating security situation in Phnom Penh. In the end, Ranariddh and Hun Sen refused to meet with her, indicating that they both were more focused on their internal struggle than on accepting advice from the international community.

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

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

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

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

Q: Will you support Ranariddh in mounting an armed opposition the 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: Did the North Koreans use the Nunn-Laney visit to send a message to the U.S. or South Korean governments? How would you characterize 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 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.

Q: What is the significance and status 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. We have made final site arrangements at the working level among all four participating countries and anticipate the August 5 preparatory talks will begin as scheduled.

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.

July 31, 1997

(Note to Briefer : Do not use before meeting has occurred)

Q: Did the President get briefed on Secretary Cohen's conclusions regarding Khobar Towers?

A: Secretary Cohen briefed the President this morning.

The President is satisfied with the thorough manner in which Secretary Cohen and his staff reviewed the various reports done following the bombing and supports the conclusions and actions that Secretary Cohen has taken.

Q: So the President supports Cohen's decision to deny the Air Force general his second star?

A: The President supports Secretary Cohen's continued efforts to ensure that there is proper accountability up and down the military chain of command.

Secretary Cohen will brief at the Pentagon shortly about his conclusions. I'm not going to get into any specifics.

Q: What's the status on the Khobar Towers investigation?

The investigation by the Saudi government and the FBI continues.

Q: What does the White House think about Sayegh's decision to change his plea?

A: In entering a not guilty plea in U.S. District Court for the District of Columbia. Al-Sayegh indicated that he would not longer abide by the terms of the plea agreement. Because the plea agreement remains under seal, we are not at liberty to discuss its contents.

The defendant stands indicted for a conspiracy during 1994-95 to kill U.S. nationals residing in Saudi Arabia. That conspiracy is not related to the Khobar Towers bombing and was not carried out. The U.S. will now focus its attention on obtaining from overseas the necessary witnesses and evidence to proceed to trial in this case. Additionally, we continue to pursue aggressively all avenues of investigation relating to the Khobar Towers bombings.

The judge has scheduled dates for filings and proceedings in this case. Since the case is ongoing, no further comment is appropriate at this time.

HAITI
July 31, 1997

Q: What is your reaction to UNSC vote to extend the UN presence in Haiti until November 30? What comes next? Will the US have a bilateral presence?

We are pleased with the Security Council's unanimous vote in favor of a four-month extension of the UN's Mission in Haiti. The UN Transitional Mission in Haiti (UNTMIH) will help provide the security environment needed to continue developing a professional civilian police force and strengthening the rule of law.

This work, part of our overall effort to support Haiti's return to democratic rule, is a long-term proposition. Our commitment to Haiti is therefore long-term, but we have made no judgments about the appropriate role for the international community in Haiti after November. This will depend in part on the situation on the ground at that time.

B-2 FUNDING
July 30, 1997

Q: What is the Administration's position on B-2 funding in the House DoD Authorization Bill?

A: The additional B-2 funding contained in both the DOD Authorization bill and the DOD Approps bill in the House (it is not funded in either Senate counterpart bill) has elicited an Admin response in SAPs that declares that senior advisors to the President would advise the President to veto those bills if the additional \$ 331 Million were to make it through the respective Conference Committees and be presented to the President for his signature.

The potential funding tail created by this relatively modest investment would be over \$ 20 Billion to complete the construction, delivery and maintenance of a mere 9 aircraft. Both the DOD's QDR and Deep Attack Weapons Mix Study explicitly examined this option and found it to be lacking in merit and military utility. In fact, these studies propounded that the procurement of additional B-2s could weaken the ability of the Air Force to procure other, higher priority systems that would provide more combat capability.

LANDMINES
July 29, 1997

Q: Human Rights Watch released a report on Landmines. Any response?

A: Remain fully committed to a global ban on the use, production, stockpiling and transfer of anti-personnel landmines.

Want to achieve this goal as soon as possible.

Must end the worldwide suffering caused by these hidden killers.

[If needed:]

We welcome the Ottawa Process. Believe the work underway there and the work underway in the Conference on Disarmament reinforce each other.

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.

Q: Has there been any further progress in the CD?

A: The third part of the 1997 CD session just opened today, July 28.

A key activity this session will be the work of the special coordinator. He will pursue consultations on a possible mandate for negotiations on a ban on anti-personnel landmines.

We look forward to early progress.

This CD session lasts until September 10.