

FOIA MARKER

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

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Press Secretary

Series/Staff Member: General Files

Subseries:

OA/ID Number: 10858

FolderID:

Folder Title:

Daily Press Guidance - August 7, 1997

Stack:

S

Row:

93

Section:

1

Shelf:

1

Position:

1

Daily Press Guidance

Thursday
August 7, 1997

(For internal use only.)

Press Guidance
Thursday, August 7, 1997

Domestic

1. **D.C. Plan** *DC Plan*
2. **UPS Strike** *UPS Strike*
3. **Line Item Veto** *- Live - Item Veto*
4. **CDFI** *- Financial Markets*
5. **COPS grant** *- police*

Events

1. **Diabetes event** *- tomorrow - Eventy*

Foreign

1. Latin America
2. NYC Terrorism Incident
3. India
4. Guatemala
5. Lebanon
6. Middle East
7. China/Taiwan
8. Northern Ireland
9. Fast Track
10. Canada Salmon
11. Trips and Visitors
12. Nazi Gold
13. Russia/NIS
14. Russian Mir Situation
15. Bosnia
16. Cambodia
17. Korea
18. Landmines

Q and A for the President

The District of Columbia

August 6, 1997

Q. Will you support efforts by Delegate Eleanor Holmes Norton and the Mayor to amend the management reform provisions which they view as anti-home rule?

A. The plan that I proposed for the Nation's Capital was designed to strengthen prospects for home rule to succeed by relieving the city of major financial burdens, including nearly \$5 billion of unfunded pension liabilities, and major managerial responsibilities, including the operation of prisons. I am pleased that Congress included most of my proposals in the budget bill I signed yesterday. In just the first year, the city will receive over \$200 million in financial benefits. I believe my plan will benefit the nation and the citizens of Washington, D.C. for many years to come.

Congress also added to the bill several new provisions which they say will improve the management of the city. We all support better delivery of services for the city's residents, and for the millions of other Americans who visit or work here. But I want to be assured that the management reforms are implemented in ways that are workable in practice, and that they do not become a vehicle for limiting home rule in Washington. As you know, I have long been a strong supporter of increased home rule for the city.

I have asked OMB Director Raines, who is the head of our D.C. task force, to meet with Delegate Norton, Mayor Barry, other elected officials, and the Control Board to review how the new law can be implemented consistent with home rule. If there are problems, he will suggest actions that we might take to address them.

Q: Are the actions that Chairman Brimmer has taken, in terms of replacing the heads of departments, consistent with home rule?

That's one of the issues that I'm hoping Director Raines will discuss with the Control Board and the elected officials. In fact, Director Raines tells me that he has a long-scheduled meeting with the Control Board today. So I would expect that these and other issues will come up.

Q: Will you meet with Mrs. Norton to discuss the issue, as she has requested?

I will decide after Director Raines' meetings whether there is a need for me to have a meeting with the local parties.

happens.

Q If I could just ask on the UPS strike, there are a lot of small businesses out there that are suffering right now as a result of this and they see you standing by, encouraging both sides to go back to the bargaining table, but not really doing anything about it. And some of your critics are saying that's because the labor unions supported you and the Democrats so overwhelmingly over these past few years. Is that a fair criticism of why you're standing aside and not getting directly involved in this strike?

THE PRESIDENT: No. No. Let me urge you all to do one thing, because I think it would be very helpful to the American people generally to know this. If you compare what I did in the American Airlines strike -- which is the only strike I've been involved in recently where I had some authority there -- the airline companies, because they take passengers, are governed by a federal law which gives the President the power to intervene if there is substantial economic danger or damage to the country.

The UPS strike with the Teamsters is not covered by that law. It is covered by the Taft-Hartley Act. If you look at the Taft-Hartley Act, there has to be a severe damage to the country. The test is very different and very high before the President can intervene.

Now, Mr. Lindsey, as he always does in strikes of large national stakes and high interest, has been involved as sort of our mediator, our talking person dealing with all the parties. And we did bring the Federal Mediation Service into this, and we have -- we've done everything we could, both privately as well as publicly, to urge the parties to get back to the table and settle this. I'm very concerned about all the customers and users of UPS and what's happening to them, but I do not believe that it is a fair reading of the Taft-Hartley law, which is the law I have to act under, that the high standard of that law has been met. It's a totally different law from the law that affected the American Airlines case. And I think it's really important that the people understand that.

Go ahead.

Q Mr. President, also put into law yesterday, of course, with the tax and budget provisions was the District of Columbia rescue plan. And there's an extraordinary amount of roiling around and criticism in the city, and I think perhaps around the country, about what's taken to be a trampling of home rule for this nation's Capitol City. As democracy advances in the rest of the world, some folks are worried that it may be receding here. And the fact that Mayor Barry's powers have been reduced to a certain extent, as an unelected control board comes in to make these management reforms and deal with the aid -- and there are some that think that this may be an attack on Mr. Barry, personally, that this is in the legislation. Are you concerned about this to the extent that you're going to try to do anything to follow up on it, talk to Mrs. Norton? I wonder what your reaction would be.

THE PRESIDENT: Well, first of all, we've already been in touch with Congresswoman Norton about this in some detail. Let me back up and say that I think on balance the legislation was very good for the District of Columbia because it will have the effect of injecting about \$200 million in cash into the city this year, as the state -- the federal government pays a higher share of the Medicaid

D.C.

release
budget of D.C., begins to take over the prisons, begins to assume the pension liabilities.

What I was hoping to do was to remove from the District of Columbia the burdens that normally are borne by a state, but that this city has had to bear; and then to give the local officials more responsibility for the things that a city must do -- run a good school system, keep the streets safe, repair the roads and the highways and the streets and do the other things that the city has to do.

And the Congress, simultaneously, wanted to strengthen the whole reform system that was represented by the Control Board. And it was a congressional initiative and, if you will, a condition of getting the financial relief that the provisions that you mentioned were adopted -- which, among other things, require a joint agreement of new department heads between the Mayor and the head of the Control Board.

D.C.

Here's what I've asked Frank Raines to do. Frank Raines, as all of you know, is representing me in our D.C. negotiations. I've asked him to try to get together with the parties and see if we can find a way to make these appointments consistent with home rule, and that if he finds the situation to be untenable to come back to me with some suggestions about what we should do then.

Let me just say one other thing. There are some very interesting tax provisions in this bill which are similar to the tax credits that we gave generally around the country for people to hire people off welfare, for people who go into the inner cities and the high poverty areas; and then there is, for the first time ever, a zero capital gains on people that start trader businesses in high poverty areas of D.C. So we are trying to rebuild the economic infrastructure of the city, as well. Director Raines is going to try and work through it for me and come back with a set of recommendations.

Q Mr. President, there seem to be several issues blowing in the wind that come back to you -- the issue of the race initiative. You wanted a dialogue on race, and you have a dialogue on race right now -- the black-white issue -- in particular, the issue of an apology for slavery and reparations. Are you hoping that the issue were to go away by giving it to the Race Advisory Board? Because there is word that you would like it go away.

THE PRESIDENT: I don't know that I hope the issue will go away. What I hope the issue -- what I hope will happen is that the issue will not dominate all the other things that need to be discussed about the past, the present and the future. And I gave it to the Advisory Board because I -- after all, the Chairman is one America's most imminent historians and as knowledgeable about this subject as anyone in the country. If I had no Advisory Board, I probably would have called him on the telephone and asked for his opinion when this subject came up. So that's the only reason I asked them to look at it.

But let me say, I think they're doing a good job. We've got our Executive Director in Judy Winston now. We're staffing up. We're going to be moving out around the country. There will be dialogue, there will be research and studies done and there will be policies flowing. And, you know, I've already announced the first major policy under this initiative, which is the \$250 million program to give people -- to defray the costs of college education for people



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

**Statement of Lawrence Haas
Associate Director for Communications
Office of Management and Budget**

August 6, 1997

Director Raines finds it unfortunate that Mayor Barry has found the need to lash out at a different person each day over his disappointment with the Republican management reform provisions in the balanced budget bill.

He is particularly disappointed that the comments come just as the Director, the Mayor, and Delegate Norton have achieved their 20-year goal of eliminating the unfair financial terms of D.C. home rule.

The future of home rule as well as education, crime prevention, and health care in the District depends more on how the President's plan to relieve the city's financial burdens is implemented than on the Mayor's search for enemies.

Press Guidance
August 6, 1997

UPS

- The Secretary of Labor spoke with both sides yesterday to encourage them to go back to the negotiating table.
- Bruce Lindsey spoke to UPS via phone yesterday.
- UPS and the Teamsters are scheduled to meet this afternoon. An exact time has not yet been set, but we expect the meeting between 1-2pm. The federal mediator will participate in that meeting.
- Bruce Lindsey and Secretary of Labor Alexis Herman will continue to monitor the situation.
- We expect a briefing from the federal mediator at some point following the meeting.

On whether Bruce or Alexis will meet/talk with the parties:

- We will have to wait and see. Nothing has been scheduled at this point.

Drafted: Mellody
Cleared: B Lindsey

LINE ITEM VETO ACT CONTENTS OF SPECIAL MESSAGE

The following outline identifies the information that is required by statute to be set forth in the President's "special message" to Congress if the President elects to exercise the line item veto. Part I identifies eight items that must be specified for all cancellations. Part II identifies three additional items that must be specified only for a cancellation of discretionary budget authority or an item of new direct spending. In addition, attached to this outline is a two-page memorandum prepared by the Office of the Solicitor General with more specific guidance concerning preparation of the special message.

- I. For ALL cancellations, the President's special message to Congress must specify:
 1. The dollar amount of discretionary budget authority, item of new direct spending, or limited tax benefit that has been canceled, with a reference number for each cancellation.
 2. For each cancellation, determinations that the cancellation will:
 - A. Reduce the Federal budget deficit;
 - B. Not impair any essential Government functions; and
 - C. Not harm the national interest.

Any supporting material for these three determinations also must be submitted.
 3. Reasons for each cancellation.
 4. To the maximum extent practicable:
 - A. The estimated fiscal effect of each cancellation;
 - B. The estimated economic effect of each cancellation; and
 - C. The estimated budgetary effect of each cancellation.
 5. All facts, circumstances, and considerations relating to or bearing upon each cancellation.
 6. To the maximum extent practicable, the estimated effect of each cancellation upon the objects, purposes, and programs for which the canceled authority was provided.
 7. The adjustments that will be made to discretionary spending limits under the lockbox provision.
 8. An evaluation of the effects of the spending limit adjustment in the preceding item upon sequestration procedures.

II. For a cancellation of discretionary budget authority or of an item of new direct spending, the President's special message must contain the following additional elements:

1. Identification of any account, department, or establishment of the Government for which the budget authority was to have been available for obligation and the specific project or government functions involved.
2. Identification of any specific States and congressional districts affected by the cancellation.
3. For the specific States and congressional districts identified in the preceding item, the total number of cancellations that have been imposed on these entities in the current congressional session.



U. S. Department of Justice

Office of the Solicitor General

Washington, D.C. 20530

August 6, 1997

To: Walter Dellinger
Solicitor General

From: Malcolm L. Stewart *mls*
Assistant to the Solicitor General

Re: Line Item Veto Act

Under the Line Item Veto Act, the President is authorized to cancel tax and spending items if he determines that cancellation will "(i) reduce the Federal budget deficit; (ii) not impair any essential Government functions; and (iii) not harm the national interest." ICA § 1021(a)(A). Opposing parties in any future challenge to the constitutionality of the Act can be expected to argue (as did the plaintiffs in Raines v. Byrd) that those required determinations provide the President with no meaningful guidance in deciding what items should be cancelled. In meeting any such challenge, we will want to be able to show that the cancellation of a particular item rests not on a presidential whim, but on accumulated executive branch expertise.

In addition to the determinations specified above, the Line Item Veto Act requires the President to transmit to Congress a "special message" explaining his decision to cancel any tax or spending item pursuant to the Act. The Act further requires that the special message must "specify," inter alia, "all facts, circumstances and considerations relating to or bearing upon the cancellation, and to the maximum extent practicable, the estimated effect of the cancellation upon the objects, purposes and programs for which the canceled authority was provided." ICA § 1022(b)(1)(E). As that language suggests, projects for which federal funds are appropriated typically do not exist in a vacuum. They are instead intended to serve the purposes of some larger government program -- a program that will, in the nature of things, be administered by executive branch officials. Those officials will have specialized expertise directly relevant to the question whether a particular item is suitable for cancellation.

Our litigation prospects will be enhanced if the President's special message demonstrates that the relevant expertise has been brought to bear. Thus, the special message should make clear that the appropriate officials within the executive branch have been consulted regarding the propriety of cancelling a particular item. The special message should also explain, with some degree of precision, why the cancelled item either is inconsistent with the existing government program or contributes so insubstantially to it as not to be worth the cost.¹ With respect to any cancelled tax benefit, the special message should explain why the benefit departs without justification from some articulable tax policy that can be derived from the Internal Revenue Code and/or IRS regulations.

I would also note that the Line Item Veto Act identifies in some detail the subjects that a special message is required to address. See ICA § 1022(a) and (b). It may be advisable for the Office of Legal Counsel to assist in the review of any special message if and when the President cancels a tax or spending item.

¹ In Raines v. Byrd, our opponents acknowledged that some statutory grants of authority to administrative agencies -- e.g., the "public convenience, interest, or necessity" standard governing the FCC's power to grant radio licenses -- are extremely broad. They argued, however, that those broad grants of power were less problematic than the President's cancellation authority because "such delegations are constrained by the historical context and policies of the substantive statute." Br. 47. In defending an actual exercise of the President's cancellation authority, we should be able to demonstrate that the same is true of cancellation under the Line Item Veto Act -- the President's decision to cancel a particular item is not made in a vacuum, but is guided by an understanding of the statutory and regulatory framework governing the substantive program for which the appropriation is made. Similarly with respect to limited tax benefits, any cancellation will rest not on an abstract finding that a particular group of beneficiaries is "unworthy," but on a determination that the benefit is incompatible with federal tax policy as reflected in the Code and regulations.

CDFI

Can you comment on the allegations of cronyism in the award of funds for Community Development Financial Institutions (CDFI)? There have been allegations that four banks with ties to you and Mrs. Clinton received money and then memos were created after the fact to justify that funding.

- I'm not familiar with the specifics of these charges, but I am aware that Secretary Rubin is reviewing this matter right now. I would refer you to the Treasury Department on those specific issues.
- At the same time, I will say that CDFI is a critically important program to help bring residents of the inner city and rural areas into the economic mainstream.
- I feel strongly that the Congress should fully fund this program for 1998, at \$125 million, as was agreed to in the bipartisan budget agreement.
- CDFI fund awardees are expanding access to credit, creating jobs and rebuilding neighborhoods in communities around the country.
- CDFI is the kind of public-private partnership that attracts financing in inner city areas and leverages private resources to create more economic growth. This is the kind of program where limited federal dollars can make a maximum difference.
- The CDFI Fund's investments of about 37 million have already leveraged more than \$50 million in non-federal financing and estimates are that, over the long-term, this financing will leverage 10 to 20 times the amount awarded.
- Bank Enterprise Awards, another CDFI program, awarded about \$13 million in grants to banks and thrifts that have encouraged \$126 million in lending and financial services to distressed neighborhoods.



U.S. Department of Justice

Office of Community Oriented Policing Services (COPS)

Communications Division
1100 Vermont Ave., N.W., 9th Floor
Washington, D.C. 20530

For Immediate Release
Thursday, August 7, 1997

Contact: 202-616-1728

NEW COPS TO FIGHT CRIME IN 48 STATES

Nearly \$100 Million to Intensify Local Community Policing under Clinton 100,000 Cops Program

WASHINGTON, D.C. -- \$92 million in aid will go to state and local law enforcement agencies across the nation, as announced by President Clinton's program to add 100,000 police and sheriffs' deputies. The grants will give 353 communities over 1,300 officers and deputies to be put on the streets and to practice community policing.

Calling the recent national decline in crime "profound and unprecedented," President Clinton commended the dedication of law enforcement across the country. "These officers will help communities keep crime on the run and make our neighborhoods stronger."

Some of the communities receiving grants today are:

- Tampa, Florida -- \$3.8 million to hire 51 new officers
- Sacramento County, California -- \$4.9 million to hire 65 new sheriff's deputies
- Waterbury, Connecticut -- \$750,000 to hire 10 new officers
- Tempe, Arizona -- \$1.1 million to hire 15 new officers
- Lincoln, Nebraska -- \$1.1 million to hire 15 new officers
- Freedom Township, Pennsylvania -- \$75,000 to start up a police department

In all, grants will be provided to agencies in 48 states including: Alabama, Alaska, Arkansas, Arizona, California, Colorado, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Maryland, Michigan, Minnesota, Missouri, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin, West Virginia and Wyoming.

Since the program began in October 1994, the Justice Department's Office of Community Oriented Policing Services (COPS) has provided funding for more than 63,000 additional officers to more than 9,000 jurisdictions in all 50 states.

"These new officers will give a shot in the arm to these communities and their efforts to lower crime and the fear of crime in their neighborhoods," said Joseph E. Brann, Director of the COPS Office.

Today's grants are being awarded under the COPS Universal Hiring Program. The hiring program provides funding for 75 percent of the total salary and benefits of each officer hired for three years, up to a maximum of \$75,000 per officer.

Diabetes

August 7, 1997

*Friday, August 8, 11:00 am, Georgetown Hospital, auditorium

*Program: Native American Chief brief remarks

Elderly Diabetic brief remarks

Parent of Juvenile Diabetic brief remarks, intros the president

President announces new national commitment to fight diabetes

(tbd mary tyler moore, honorary co-chair, of american diabetic assoc, will emcee)

*Announcements: \$150 million for type 1 (juvenile) diabetes

\$150 million for Native American diabetes initiat

\$200 million in Medicare for diabetic management for the elderly

HHS/ADA will issue joint standards of prevention, management, and care

*Audience: ADA, Juvenile Diabetics Assn, Native American Tribal Leaders, African American medical leaders, Minority health community leaders, Research, University, and Hospital area leaders.

*DPC/HHS will do paper on anncts (Christa Robinson)

*Program participants and presidents of ADA, JDA will do regional, national, and specialty media immediately afterwards. NOTE: Mailing to Native American, African American, and Medical specialty press of President's remarks and announcements.

per Payne

****DRAFT****

NEW DIABETES INVESTMENTS TO IMPROVE TREATMENT, PREVENTION, AND RESEARCH FOR AMERICANS WITH DIABETES

Today President Clinton announced that the balanced budget he signed into law on Tuesday contains a package of investments that will improve the lives of the 16 million Americans who suffer from diabetes. The American Diabetes Association (ADA) claims that "taken together, these new investments in diabetes, announced by President Clinton today, are as important for people with diabetes as the discovery of insulin in the 1920s."

- (1) A new \$150 million investment in diabetes to be granted by HHS Secretary Donna Shalala for finding a cure for Type I (often known as juvenile diabetes);
- (2) A \$150 million investment for prevention, treatment, and research for Native Americans with diabetes;
- (3) An important new preventive Medicare benefit which will help the millions of older Americans who suffer from diabetes better manage their treatment, thereby helping avoid serious and costly complications of diabetes; and
- (4) A government sponsored effort with the private sector to develop medical criteria that will guide diabetes patients, health plans, and health providers across America and help consumers receive appropriate quality care.

A New Medicare Benefit to Help People With Diabetes Better Manage Their Care

The balanced budget provides \$2.1 billion over five years to expand Medicare's coverage of benefits for people with diabetes. Previously, Medicare covered diabetes outpatient self-management training only in hospital-based programs. Under the new balanced budget, more Medicare beneficiaries will be able to take advantage of outpatient self-management training by expanding coverage furnished by physicians and other certified providers. It would also expand Medicare coverage of all blood glucose monitors (including testing strips) to all beneficiaries with diabetes, whereas Medicare currently only covers insulin-dependent patients.

Diabetes self-management education is an essential component of diabetes care. Expanding the number of people eligible for these important self-management tools will increase the number of Americans who are properly managing their diabetes, thereby helping prevent the debilitating and costly complications too often associated with diabetes.

A New \$150 Million Investment to Help Cure Type I (Juvenile) Diabetes.

This new investment provides \$30 million annually for five years for research to help find the cure for diabetes. The HHS Secretary will have discretion to target these funds to the HHS agencies that can fund the best available scientific opportunities. Children who develop diabetes should not have to suffer the devastating consequences of this disease. Studies show that even those who receive the best treatment and care may suffer from many severe complications. Only when we find a cure will people with Type I diabetes truly live in peace. In FY 1997, HHS will spend an estimated \$345 million on diabetes research at the National Institutes of Health, Centers for Disease Control, and Agency for Health Care Policy and Research.¹ The new diabetes initiative will enable HHS to increase its annual funding for diabetes research by nearly 10 percent.

\$150 Million Investment to Help Prevent, Treat, and Cure Diabetes Among Native Americans.

The new funding provided IHS (\$30 million annually for five years) will be used to provide services for diabetes prevention and treatment in partnership with Tribes, Urban Indian Health Centers, IHS Facilities, and other agencies within the Department of Health and Human Services (HHS), such as the Centers for Disease Control and Prevention. The new diabetes program, which will have a special focus on children and youth, will test community-based outreach programs in an effort to increase knowledge about such primary prevention techniques as reducing obesity, promoting health and wellness, and reducing the onset of Type II diabetes. In accomplishing these objectives, the new program will seek to improve linkages between families, public health services, schools, and nutrition programs.

A New Diabetes Quality Improvement Project

There are numerous studies by organizations such as the ADA and National Committee on Quality Assurance (NCQA) that have documented that many physicians are not delivering the care known to reduce diabetes complications such as blindness and amputation in order to diminish the personal toll of diabetes. Today the President is announcing a major year-long collaborative effort to develop a set of performance and outcome measures for people with diabetes. Such measures could detail the care that should be delivered (for example, an annual eye exam) or health outcome that should be achieved (such as blood glucose levels). These new criteria would help ensure that physicians have the necessary information to provide patients with high quality diabetes care, and thereby help avoid costlier complications later.

The performance and outcome measures are being developed by a coalition of four organizations: HCFA, the largest purchaser of health care for the diabetic population; the ADA, the largest and leading voluntary health agency dedicated to improving the lives of people with diabetes; NCQA, which develops and maintains a set of standardized performance measures used by more than 90 percent of health plans; and the Foundation for Accountability (FACCT) are dedicated to ensuring that consumers have adequate information to make health care decisions. Together, these organizations will work to ensure that millions of consumers, purchasers, and health care providers adopt these new criteria.

Q: Does this mean you've decided to sell fighter aircraft to Chile?

A: In principle, yes.

As you know, the Chilean Government is engaged in a process of soliciting bids for advanced fighter aircraft. While the policy review was ongoing, we informed Chile that we could provide technical data but that we had not made a decision whether we were prepared to approve the transfer of U.S.-origin advanced fighters to Chile.

We have now decided that, in principle, yes we would approve such a transfer, although the exact nature of what we will be prepared to offer Chile will need to be worked out by the State-chaired interagency committee as the consideration of this case goes forward.

Q: Some believe the sale of high-tech arms by USG to Latin America will start an unwanted arms race. What specific steps is the United States taking to prevent an arms race?

A: The United States has taken a leading role in the hemisphere in encouraging the adoption of confidence-building measures that would help avoid an arms race. For example, this June, at our urging, the Organization of American States (OAS) adopted a resolution in support of negotiating a legal framework on advance notification of major arms acquisitions by governments in the region. We hope such a legal framework will be ready for adoption at the Summit of the Americas in Santiago next April.

In support of the OAS Declaration of Santiago on Confidence Building Measures, the United States has taken the initiative to provide advance notification to all the democracies of the region of major arms acquisitions covered by the United Nations Register of Conventional Arms. It also provides governments in the hemisphere advance notice of joint military exercises planned in the region and annually presents its defense policy and budget as a confidence-building measure. Many governments in the region, including Chile, Argentina and Brazil, have also adopted confidence-building measures that are helping to create a climate of trust among once-hostile neighbors.

Q: Former President Jimmy Carter, Nobel Peace Prize winner Oscar Arias and other hemispheric leaders have proposed the adoption of a two-year moratorium on the purchase of advanced fighter aircraft. What is USG position on this proposal?

A: The United States would certainly respect such a moratorium, and would seek to persuade other suppliers to do likewise, if it arose from the leaders of the region itself.

Q: Does this decision mean the U.S. is no longer imposing a ban on high-tech arms transfers to Latin America?

A: A ban is "no" under any circumstances, which was never the case in our policy toward Latin America. Rather, there was a presumption against such transfers, given

circumstances in the region. In the case of advanced fighter aircraft, the United States did approve the sale of a squadron of F-16s to Venezuela in 1985.

We have now decided to move to case-by-case consideration of requests for advanced arms subject to a policy of restraint, meaning we will be very careful and cautious, so as to ensure that a sale will serve our overall goals for individual countries and the region as a whole.

Q: Does this new policy mean you will sell advanced arms to Peru or Ecuador?

A: Case-by-case means just that, that each case must be reviewed on its merits and in light of its own special circumstances. In this case, those circumstances include the 1995 border conflict between Peru and Ecuador, and our role as a Guarantor of the Rio Protocol and as an active participant in the peacekeeping force along the disputed border. In this capacity, we have urged both Peru and Ecuador to restrain their purchases of weapons that could destabilize the talks currently underway and continue to encourage them to reach a definitive solution to the problem. We have advised both governments against the acquisition of advanced arms, and have no plans to sell such equipment to either. We have made the same points to potential suppliers.

Q: Given the absence of any serious security threats that would require advanced fighters in the region, isn't this decision really all about keeping US defense contractors in business?

A: We recognize that some governments in the region wish to modernize their force structure and equipment, which in many cases is reaching their useful lives. This decision was driven by our national security interests in working with those governments as they modernize their forces. The scope of their requirements, however, is unlikely to have a significant impact on US defense contractors

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: There is an on-going investigation about who these people in New York are, what connections they may or may not have.

As of now we have no reason to believe there is a further, imminent threat.

As of now we do not have a link between those arrested in New York and any other group or action....but it is early in an investigation of this kind.

INDIA
August 7, 1997

Q: Do you have any comments on recent reports that India has declared having had a chemical weapons program?

A: We applaud India for its decision last September to ratify the Chemical Weapons Convention. The U.S. is proud to be working with India and the nearly 100 other countries that have ratified the CWC to ensure its effective implementation.

We have seen reports that, in the course of meeting its CWC obligations, India has declared some elements of a chemical weapons program.

Although we have not seen the Indian declaration, we are encouraged by these reports. We hope that any country which has had a chemical weapons program will make a complete and accurate declaration, as required under the Convention.

(If asked about the status of Pakistan's CWC ratification:

-- We were disappointed that Pakistan did not complete its CWC ratification process in time to be an original State Party on April 29 and have urged them to join the treaty as soon as possible.

Q: Is the U.S. releasing all the material it should to Guatemala's Historical Clarification Commission?

A: The Administration has made an extraordinary effort to expedite declassification of government documents related to human rights abuses in Guatemala. In May 1996, the State Department released over 5,800 documents related to cases from 1984 to the present. In June 1996, nearly 900 more were released. In May of this year, another 400 were released and are now in the public domain.

As a result of these expedited declassification reviews, we have now reviewed and released over 7,000 documents related to human rights cases in Guatemala from 1954 to the present.

All these documents are being made available to Guatemala's Historical Clarification Commission.

Q: Is there a disagreement between Secretary Albright and the Attorney General on the lifting of the passport restrictions?

A: Last week, the Secretary of State did not renew the passport restrictions which were imposed in 1987 as a safety measure for U.S. citizens and have been reviewed every six months since 1994. At the same time, the Secretary cautioned that Lebanon is not considered truly safe for American travelers.

Apart from that decision, the Lebanese government needs to be more helpful with U.S. law enforcement agencies in helping bring to justice those who have perpetrated attacks against Americans in the past, and to cooperate more closely to help threats to U.S. interests and citizens in the future. That will be among the issues discussed when a delegation comes to Washington from Lebanon soon.

The Secretary of State and Attorney General agree on the broader U.S. policy goal with regards to Lebanon, even if they may have different views on tactics to best achieve it. Beyond that, it's not appropriate for me to comment.

MIDDLE EAST PEACE PROCESS

August 5, 1997

Q: There are reports out of Cairo that Arafat is calling on the President to intervene to save the peace process – he says that this would be the only way out of this crisis. Will the President go?

A: We are involved in support of the peace process every day.

We always need to make judgments about how best to make a difference. We need results, not drama.

The focus now needs to be on security cooperation so we can create an environment in which the process can move forward.

The President is sending Dennis Ross to the region this week to pursue this.

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

A: There is no issue on which the President has been more actively and continuously involved, from 1993 on. (This year: Hebron, visits of leaders to Washington in Feb- , Mar, sent Ross to region two times, continuing contacts with leaders)

This is not an easy problem with a simple solution. From the beginning this process has had ups and downs – triumphs and tragedies. We are in this for the long haul.

We constantly make judgments about what will be the most effective. The immediate focus is security cooperation so that we can propel the parties back to negotiations.

The objective is not theatrics, but results.

Q: What is the purpose of Dennis Ross' trip to the region next week?

A: The President is sending him to the region to meet with the leaders there to discuss how to reenergize security cooperation. Clearly, this must be our most immediate focus, but we will be talking to the parties about all the issues.

Q: So he won't be carrying the same proposals for restarting the process that he was prepared to take when his trip was postponed?

A: There is an immediate need for the Palestinians to take more active security measures, and for Palestinians and Israelis to restore a productive cooperation on security.

That's in everybody's interests – and it's needed to propel the peace process forward. The terrorists who savaged Jerusalem hurt Palestinians as well as Israelis because only through the peace process can the parties achieve their aspirations.

Q: Will the President send Secretary Albright to the region?

A: As the President have said, he will send Madeleine Albright to the region at the appropriate time. His judgment as to when it would be appropriate for the Secretary to travel will depend to a large extent on the results of Dennis Ross' trip.

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

A: The Palestinian Authority must do all it can in meeting its responsibilities on security. We believe that Chairman Arafat is against terror – but we have not seen a sustained and systematic effort to stop it.

There must be a mindset of partnership. On meeting the threat of terror, no one can guarantee 100% success, but there must be 100% effort.

This is in the interests of Palestinians as well as Israelis. Terrorists are the common enemy.

Q: What is your reaction to the Israelis' suspension of its reimbursements to the PA?

A: The Israelis have a legitimate concern about their security now, and it's up to the Palestinians to make an all out effort to put an end to terrorism.

At the same time, we've asked Israel to ease measures that undermine the credibility of the Palestinian Authority.

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

A: No. We totally and thoroughly reject that proposition. It's not the end for two reasons – one, most Israelis, most Palestinians, most Arabs want the peace process to go forward, want it to succeed. And as long as that is true, it won't die. And second, the alternative is unthinkable. We have seen the alternative this week in Jerusalem. It's death and carnage. That is unacceptable to the Israelis, it's unacceptable to the Palestinians, it's not good for the region, it's not good for the United States. We will not let this process die. There is no acceptable alternative to peace. The process has had many ups and downs. We will persevere.

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

A: We have drawn no conclusions to that effect, but there is an intensive on-going investigation involving the efforts of the NY Police Department, the FBI, the State Department and others from the intelligence community, so I'm not going to comment.

Q: One of those arrested in the Brooklyn raid had been detained three times while trying to enter the U.S. without proper documentation, and then he requested political asylum saying he'd face persecution in Israel where he was regarded as a terrorist. How could he have remained in the United States with apparent impunity?

A: The facts are under review – so I don't want to comment further on that.

Q: Newt Gingrich has said that the U.S. should be tougher on terrorism. Do you think you have done enough?

A: We believe fighting terrorism is a priority of increasing importance, and the President has worked to step up our efforts against terrorism.

Last year he submitted a supplemental budget request for \$1.2 billion to fund counter-terrorism efforts in police departments, the FBI and the Secret Service.

He has also introduced anti-terrorism legislation to give us better tools to combat terrorist organizations. The Anti-Terrorism Act of 1996 makes it unlawful to contribute funds to organizations designated as terrorist organizations, and it sets up new, expedited provisions for the removal of those thought to be terrorists.

Q: Does the Administration support the Saxton bill that would cut off our assistance to the Palestinians if they can't curb terrorism?

A: We will address the proposed legislation next month when Congress reconvenes.

However, the bulk of our assistance is for projects which directly affect the Palestinian people, and for projects which advance good governance and the rule of law ---important objectives which the Congress strongly supports.

Q: What is the U.S. reaction to the request for a transit visa for Taiwan's President Lee Teng-Hui?

A: The United States will consider this transit request (through Hawaii on the way to Central America, with return stop in Hawaii) as we do all transit requests by Taiwan leaders. We look to the issue of the safety, comfort and convenience of the traveler. We have not yet issued the visa, but we do not anticipate any difficulty in doing so.

Background

The Administration has taken the position from the onset of these negotiations that China's accession to the WTO must be on the basis of solid commercial terms that open its market to the rest of the world. Fundamentally, the pace of China's accession will depend upon its willingness to undertake substantial economic reforms.

Q: Why is the Administration now saying China's offers are insufficient?

A: We have said all along that China must undertake comprehensive reforms in areas ranging from market access to subsidy practices. Whether China now comes forward with substantial meaningful reforms is the key issue. We have recently concluded a round of bilateral negotiations with China and a round of multi-party talks at the WTO. China has indicated that they intend to put forward a new round of offers in early September. We will evaluate their proposals when they come forward.

Q: Does the current round of investigative hearings have an impact on the talks?

A: Our objectives in seeking fundamental economic reforms in China have been consistent and clear from the beginning of this process. Our trade negotiators approach this issue from the question of how to accelerate reform and bring China into the international trading system with all of its multi-lateral trade rules. A comprehensive reform package will sell itself on its own merits.

Q: Do you concede that there will not be any new developments on China's WTO accession at the leaders meeting in October?

A: The answer to this question will be determined by the actions China chooses to take. There is no question that we have limited time in front of us, but the pace of the negotiations will be determined on the basis of whether China comes forward with new substantive reform proposals.

Q: If you can't even get the Chinese to do what they need to do to get into the WTO, what do you hope to accomplish with the Jiang visit later this year?

A: First of all, need to make clear that our commitment to bringing China into the WTO is unchanged. Working diligently with Beijing through regular negotiations to bring that about under what we call "commercially viable" conditions. That has two important aspects: compliance with the international trade rules that are accepted by all WTO members; and bilateral arrangements that provide for improved market access for U.S. products in China.

Complex negotiations that involve difficult decisions for China as it continues transformation from command to market economy. Important progress has been made since we intensified these negotiations last year, and hope it will continue. Both sides need to be flexible and creative as we work toward acceptable agreement.

Visit of President Jiang not a "WTO summit." Have many issues to discuss, most importantly being the regularization and normalization of strategic dialogue at the highest levels.

The U.S.-China relationship one of the most important foreign ties that we have; its development will have a profound impact on the world we live in the 21st century. President Jiang and I will be discussing that relationship in all its complexity, including economic and trade issues, non-proliferation, environmental cooperation, human rights and global and regional issues of importance to both sides.

Q: Any readout from Jim Steinberg's meeting with Adam Ingram?

A: Jim Steinberg met yesterday with Adam Ingram, Northern Ireland Minister for Security and Economic Development.

They had a very positive meeting. Discussion focused on the Northern Ireland peace process and ways to build on the progress of the recent ceasefire in the multi-party negotiations slated for September.

They also agreed that greater attention needed to be given to questions of economic development, as the essential ingredient for long-term stability.

If pressed: The involvement of Sinn Fein in the multi-party talks was discussed and the two agreed that the August 6 meeting between Sinn Fein leader Gerry Adams and UK Minister for Northern Ireland Mo Mowlam was a positive step.

Q: Did the Administration give Sin Fein assurances regarding visas for Sinn Fein leaders, access to the White House, fundraising in the United States, and suspension of IRA deportation cases, in the event of a renewed IRA ceasefire?

A: After Gerry Adams announced that he would recommend to the IRA that it reestablish the ceasefire, we informed Sinn Fein officials that in the event of a cease-fire, we would be prepared to take appropriate confidence-building measures to support the ceasefire and the peace process.

We are not going to go into detail about those confidence-building measures.

I will note that Sinn Fein official Joe Cahill was recently granted a waiver to visit here in early August. (NOTE: Following the IRA ceasefire in August 1994, we provided visas to Sinn Fein officials, including Joe Cahill.)

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. I would also note that Sinn Fein is a legal political party in both the UK and Ireland. Its leaders are free to travel and fundraise in both countries.

Q: What about the deportation cases?

A: Not going to go into specifics of possible confidence-building measures.

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 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 used last week'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.

CANADA SALMON

August 4, 1997

Q: Now that Bill Ruckelshaus and Canadian David Strangway have been named to find a way to reinvigorate the stakeholders process and resolve the salmon issue with Canada, what is Ruckelshaus doing?

He will be briefed by officials from State and Interior who handle the salmon issue and then embark on a round of intensive consultations with U.S. stakeholders preparatory to meetings with Strangway.

Expect to see period of intensive activity between now and end of year.

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

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

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

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

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

TRIPS AND VISITORS

July 28, 1997

- 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.

Aliyev Visit

- Friendly, cordial discussions between Presidents Clinton and Aliyev on August 1. Covered broad range of issues -- progress of reform in Azerbaijan and peace in Nagorno-Karabakh as well as development of Caspian energy resources.
- With regard to reform in Azerbaijan, President Clinton raised importance of democratization and human rights to development of U.S.-Azeri bilateral relationship.
- Extensive discussions on Nagorno-Karabakh. President Clinton underlined U.S. commitment to work with Russia and France in OSCE Minsk Group for resolution of conflict.
- Aliyev stated his commitment to direct talks among all parties to conflict in context of Minsk Group process, and signaled Azerbaijan's willingness to open all communication links with Armenia in context of Armenian withdrawal from six occupied provinces of Azerbaijan.
- Presidents discussed issues related to Caspian energy development. They acknowledged importance of cooperation in energy field and welcomed signing of four new oil contracts between Amoco, Chevron, Exxon and Mobil and the State Oil Company of Azerbaijan.

(See also August 1 joint statement)

General

NATO-Russia

- NATO-Russia Founding Act lays basis for partnership between NATO and Russia. See Russia as partner of NATO in shaping more secure, stable and undivided Europe. Good for United States, Russia and Europe.
- Task now is to give real substance to Founding Act. NATO-Russia Permanent Joint Council to meet 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

August 6, 1997

News media have reported that Mir's primary oxygen generator is not working, and that remaining oxygen supplies are limited. This has been the case for about a week, and it is not clear why this has suddenly become newsworthy. The Mir crew is relying on oxygen-generating canisters, and there is a supply sufficient for about 70 days on board. The crew expects to have the primary oxygen system back online by tomorrow. Mir's other major systems are operating well at this time.

On August 5, Russia successfully launched the Soyuz spacecraft carrying two replacement crew members who will conduct the repair spacewalk later this month. They are expected to dock with Mir at 1 pm EDT Thursday August 7.

Talking Points

- We have been monitoring Mir's oxygen situation for some time and do not consider it to be an immediate problem. Highly reliable backups are in use, and work to restore the primary oxygen-generating system continues.
 - The current schedule for crew replacement and repair is as follows:
 - o August 7 Replacement crew arrives at Mir
 - o August 14 Current Russian crew returns to Earth. (U.S. astronaut Michael 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: Is NASA still planning to send David Wolf to replace Michael Foale?
- A. At this time, Wolf is scheduled to replace Foale aboard Mir in September. The final decision on whether he will stay aboard will depend on restoration of power from the damaged module and on the results of NASA's internal and external reviews of Mir safety.
- Q: Isn't it finally time to end our participation in the Shuttle-Mir program?

The Shuttle/Mir program is only one facet of our space cooperation with Russia. Our missions on the Mir are giving us a great deal of knowledge and experience on how to live and work aboard an operational space station, especially in unexpected situations - something we will want to fully understand before we send up our own international space station. We are taking the decision on whether to send the next U.S. astronaut (David Wolf) to the Mir one step at a time. We will be watching the results of the repair space walk on August 20 and will rely on NASA to make a decision on how we should proceed based on their technical and safety analysis of the situation.

Izetbegovic/Tudjman

- **Discussion and agreements signed yesterday by Croatian and Bosnian Presidents demonstrated a positive spirit of cooperation. Agreements cover return of refugees, cooperation on war criminals, and measures to strengthen Federation institutions.**
- **These commitments are a positive step. Now we will be looking for swift action by the parties to implement the agreements.**

Holbrooke Trip

- **Ambassador Holbrooke and Special Representative Gelbard are in Sarajevo today meeting with the Joint Presidency and the Council of Ministers. Acting High Representative Gerd Wagner will also be at these meetings.**
- **The Holbrooke-Gelbard team was unable to meet with President Plavsic in Banja Luka due to weather problems. They are expected to meet with her Friday.**
- **Ambassador Holbrooke's trip is part of our across-the-board effort to re-energize implementation of Dayton. Ambassador Holbrooke's knowledge of the players and the issues provides invaluable continuity.**
- **Holbrooke and Gelbard are carrying 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.

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?

- 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.

(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.

Major Accomplishments

- **The fighting has stopped, warring forces have been separated and heavy weapons are in cantonments.**
- **Real GDP has almost doubled since 1995. Unemployment has dropped from 90% to 50%.**
- **International donors are implementing a three-year, \$5.1 billion priority reconstruction program.**
- **Infrastructure is being reconnected and rebuilt.**
- **New national, entity and cantonal governments were elected in the September 1996 elections and are beginning to function.**
- **OSCE logistical preparations for this year's municipal elections are on track, with 2.5 million voters registered and approximately 20,000 candidates registered to run in 136 municipalities.**
- **In the Federation, joint police forces are being formed and a joint military, a joint customs service, and integrated financial institutions have been created.**
- **The Train and Equip program has managed procurement of over \$300 million worth of military equipment for the Bosnian Federation and coordinated international training.**
- **Roughly 150,000 refugees have returned to Bosnia from residences abroad, and more than 160,000 internally displaced persons have returned to their homes.**
- **The Open Broadcast Network, supported by U.S. assistance, has become a viable cross-IEBL television network.**
- **The Arbitration decision in Brcko was handled peacefully and international supervision structure is in place.**

Military Stability

- **The fighting has been stopped, warring forces have been separated.**
- **Heavy weapons have been placed in internationally supervised cantonment and over 2000 heavy weapons systems have been destroyed.**

- **First IFOR, and now SFOR, have maintained the peace with only minimal casualties. Local cooperation with IFOR/SFOR has been excellent.**
- **Through a combination of arms control and the Train and Equip program, a stable military balance is being achieved.**
- **Illegal foreign forces have been expelled and Bosnia has terminated military and intelligence cooperation with Iran and other extremist countries.**
- **The Federation Defense law was passed in July 1996; agreements on Federation force structure and on the Joint Command have been reached and confidence-building measures, such as hotline installation in respective military headquarters, have been implemented.**

Economic Growth

- **Real GDP has almost doubled since 1995. GDP growth in 1997 is expected to be 30%. (Most economic growth is taking place in the Federation.)**
- **Unemployment dropped from 90% to 50%**
- **Wages in the Federation have more than quadrupled (from 46 DM/month to 260 DM/month).**
- **Infrastructure is being reconnected and rebuilt.**
- **IMF Letter of Intent has been agreed to and London Club debt restructuring was completed.**

International Reconstruction Effort

- **International donors, led by the World Bank, designed a three-year, \$5.1 billion priority reconstruction program. Since early 1996, donors have pledged 3.2 billion toward this program.**
- **In the first two years of the program, the U.S. has committed \$524 million, and expects to pledge another \$200 million in FY 98.**
- **In 1996, over 320 kms of roads were put back into service, 15,000 housing units were repaired (including over 2,500 by USAID), and heating was restored to 32,000 others. 400 schools were repaired, and 40 cities had their water and sewage systems repaired.**
- **Five power plants were rehabilitated in 1996 and electric power service has been restored in all major cities and many rural areas. Some 776,000 people (roughly 25 percent of Bosnia's total population) have had their electricity restored due to donor-funded power sector projects.**

- **USAID provided \$52 million in loans to 95 medium-sized Bosnian enterprises, creating nearly 10,000 jobs. USAID hopes to be lending \$10 million a month by the end of this year.**
- **By the end of 1997, USAID's Municipal Infrastructure and Services (MIS) program will have completed major projects in more than 38 municipalities and created more than 10,000 new jobs.**
- **Led by the U.S., nearly all donors have embraced our conditionality policy which restricts assistance to those complying with Dayton. As a result only 3 percent of donor funding went to the Republika Srpska in 1996.**

New Governmental Institutions

- **New national, entity and cantonal governments were elected in the September 1996 elections.**
- **The Bosnian Presidency and the Council of Ministers meet in regular sessions.**
- **The Constitutional Court is up and running**
- **The Parliamentary Assembly has formed and recently passed the Quick Start package of economic laws.**
- **The Standing Committee on Military Matters held its inaugural meeting during Secretary Albright's recent trip to Sarajevo.**
- **The Central Bank has been created.**

Federation Structures and Integration

- **Governmental structures at the Federation and Cantonal levels have been set up.**
- **Joint police forces, a joint military, a joint customs service, and integrated financial institutions have been created.**
- **The Train and Equip program has managed procurement from all sources of over \$300 million worth of military equipment for the Bosnian Federation's integrated defense force and has coordinated international training efforts.**

Public Security

- **The Federation police forces are being rebuilt from the ground up in accordance with international democratic policing standards under supervision of the UN IPTF.**
- **Two of the 10 Federation cantons (Sarajevo and Gorzade) have completed the initial phase of restructuring. The remaining cantons are expected to do so by September 1997.**

- The Mostar police force has been ethnically integrated and joint patrols (Bosniak and Bosnian Croat officers) introduced in July 1997.
- Strong coordination between the Parties, the IPTF and IFOR on public security planned led to the safe conduct of elections in September 1996.
- Human dignity and basic skills training programs sponsored by the USG have begun in Sarajevo. IPTF assumed the authority to investigate alleged police human rights abuses in December and is working with local police to develop their own internal affairs capabilities.

Refugees

- Roughly 150,000 refugees have returned to Bosnia from residence abroad and more than 160,000 internally displaced persons have returned to their homes.
- UNHCR and the USG have jointly identified the first three "Open Cities", communities that accept the return of ethnic minorities. Many other communities have expressed interest in the program.
- As of July 2, 1997, 164 Bosniak families have returned to their homes on the Serb side of the Zone of Separation in the Brcko area. The first sixteen Bosniak families have returned to Stolac, the most recalcitrant of the four Federation communities designated at Dayton as a "pilot project" for return.
- RS President Plavsic has agreed to allow the implementation of projects in Sipovo that will enable Bosniaks to return.

Demining

- The U.S. has contributed to the establishment of a capable, indigenous demining infrastructure; regional demining groups started surveying and removing landmines in November 1996.

Democratization

- Last year's national, entity and cantonal elections were completed without incident and elected officials have been installed into office.
- OSCE logistical preparations for this year's municipal elections are on track with 2.5 million voters registered and approximately 20,000 candidates registered to run in 136 municipalities.
- Various donors are providing assistance to nascent political parties.
- U.S. financial and personnel support for the Annex Six Human Rights Commission has helped to improve respect for human rights and the rule of law.

Media

- **The Open Broadcast Network, supported by U.S. assistance, has become a viable cross-IEBL television network.**
- **VOA and RFE operations, as well as donor-sponsored local media projects, are continuing to diversify the kinds of information available within Bosnia.**
- **USAID has given vital assistance to small alternative radio stations in Banja Luka, Doboj, Bijeljina and Prijedor.**
- **The U.S. and other donors have trained dozens of Bosnian journalists in western journalistic practice and media management.**

Brcko

- **The Arbitration decision was handled peacefully; the international Supervisor has been installed and his office established and staffed.**
- **An IPTF contingent has been augmented to full strength and is on site.**
- **Infrastructure projects are underway and refugee housing is under construction.**
- **Refugee return procedures have been approved, new homes are being constructed with international funding, and many have been identified for return.**
- **Property commission is operating and adjudicating property rights.**

Background: The Cambodian parliament voted overwhelmingly to replace Prince Ranaridh as First Prime Minister with former Foreign Minister Ung Huot (OONG HOO-UT), and to strip Ranaridh of his parliamentary immunity from prosecution, thereby exposing him to a military court trial on charges of weapons smuggling and collusion with the Khmer Rouge should he attempt to return to Cambodia. The action was well-scripted and controlled, and the 42 parliamentary members of Ranaridh's FUNCINPEC party who remain in Cambodia (out of 58, the others being in self-imposed exile) voted overwhelmingly with the 50 members of Second Prime Minister Hun Sen's Cambodian People's Party (CPP) and other smaller parties to provide the constitutional majorities required. In his acceptance speech, Ung Huot reiterated his commitment to free and fair elections in May 1998, and specifically asked the United States to restore an aid program that would benefit the electoral process.

Q: What is your reaction to the decisions by the Cambodian parliament to strip First Prime Minister Ranaridh of his parliamentary immunity and replace him with Ung Huot?

A: We regret this move. We continue to believe that, given the unsettled situation in Cambodia, the reports of fear and intimidation of opposition members who remain in-country, and the significant number of parliamentarians who are in exile (including the leaders of the three opposition parties), this vote was taken under conditions that cast doubt on its being a true representation of the will of the Cambodian parliament.

We are deeply concerned that certain irregularities in the procedure have called into question whether it was done in a manner consistent with the Cambodian constitution. For example, King Sihanouk, who also remains outside Cambodia, has not endorsed the change.

Until such time as all Cambodian parliamentarians are free to return to Phnom Penh without fear of personal harm or intimidation, we believe this vote lacks legitimacy.

The stripping of immunity from Prince Ranaridh and the bringing of charges by a military court are not conducive to the return of parliamentarians.

We continue to support the ASEAN initiative, which is intended to bring about reconciliation between different Cambodian parties, the return of exiled parliamentarians, and the holding of free and fair elections in 1998.

We will work with our ASEAN partners and other concerned states to advance the goal of free, fair, and fully participatory elections in 1998. We have sent Desaix Anderson to Asia this week to consult with governments in the region on next steps to resolve the political crisis.

Q: Does that mean you refuse to recognize the Cambodian government?

A: The United States recognizes states, not governments.

Q: Will you restore aid programs to the new Cambodian government, as requested by Ung Huot?

A: The U.S. Government suspended portions of its assistance program to Cambodia in the wake of the events of July 5-6. We hope to continue providing assistance that addresses basic human needs, promotes democratic processes, and strengthen the respect for human rights. None of these programs provides funds to or through the Government of Cambodia; our aid goes through NGO's or private contractors. We are also consulting with other donor countries on the issue of support, including observers, for the 1998 national elections. The genuine intent of the Cambodian government to establish the conditions under which free and fair elections can be held next year will be a factor in our future decisions.

Q: Will you work with the new government?

A: We will maintain diplomatic relations with Cambodia. Our principal goal, however, will be, --the holding of free and fair elections in 1998 to restore Cambodia to compliance with the Paris Accords and the Cambodian constitution.

We respect and appreciate Ung Huot's determination to hold free and fair elections in 1998.

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 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 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: Should Secretary Albright have met with Cambodian representatives during her recent trip to Kuala Lumpur for meetings with ASEAN countries.?

A: The Secretary made repeated efforts to arrange a meeting in early July 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. Cambodia was represented at the meetings in Kuala Lumpur which the Secretary attended; she did not meet separately with Cambodian officials.

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: Do you support ASEAN's mediation role with Phnom Penh?

A: We strongly support the efforts of ASEAN to mediate with Hun Sen in an effort to restore implementation of the Paris Accords. We and ASEAN share the objectives of stopping the violence, maintaining the coalition government and ensuring the May 1998 elections are free and fair. We will remain in regular and close contact with ASEAN over the coming days.

Background for Four Party Preparatory Talks:

The Chinese, North Korean and South Korean delegations will be led by a vice or deputy minister of Foreign Affairs. The U.S. delegation will be headed by Chuck Kartman, Principle Deputy Assistant Secretary of State. The U.S. delegation will have representatives from the NSC, JCS, OSD, and State Department. The tentative schedule calls for the U.S. delegation to have bilateral consultations with South Korea and China on Monday, with the four party preparatory talks beginning Tuesday, August 5, at Columbia University. The purpose of the talks is to reach agreement on a venue, date and broad category agenda topics (1. discussion of a new, permanent peace mechanism to replace the Armistice, 2. Tension-reduction and confidence building measures).

Q: Can you provide a report on the first day of talks in New York?

A: The four parties discussed the timing and level of representation for the full plenary session of the four party peace talks. Today, we expect further discussions on venue, procedural issues and agenda questions. No agreements have yet been reached.

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

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

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.

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.