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Daily Press Guidance - August 13, 1997

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Daily Press Guidance

Wednesday
August 13, 1997

(For internal use only.)

Press Guidance
Tuesday, August 13, 1997

Domestic

1. SBA - Small Business Association
2. Cancer Stamp - Postal Service
3. Altitude Warning System - FAA
4. Casa Youth Drug Study - Drug Policy

Events

1. **Pediatric Dosage** - Health Care Q+A

Economic

1. **Retail Sales** - rose 0.6% - Economy
2. **PPI** - Economy

Foreign

1. Middle East
2. China/Taiwan
3. Northern Ireland
4. Southern Lebanon
5. Cyprus
6. India
7. Thailand
8. Kenya
9. Fast Track
10. Trips and Visitors
11. Russia/NIS
12. Russian Mir Situation
13. Bosnia
14. Cambodia
15. Korea
16. Landmines

TALKING POINTS:

THE SBA'S PROPOSED REGULATIONS TO EXPAND ITS 8(a) PROGRAM TO MORE WOMEN

August 13, 1997

Summary

- The SBA proposed regulations today to expand the availability of Federal loans to women-owned small businesses.
- These regulations would conform SBA's rules and procedures to the Justice Department's post-Adarand guidelines.
- In essence, the proposed regulations are designed to make it easier for women to participate in SBA's 8(a) program.
 - To do so, they would change the standard for determining the socially disadvantaged status for non-minority group members from "clear and convincing" to "preponderance of evidence."
 - Non-minority group members still would have to prove that they are socially disadvantaged, but they would face this less-strict standard in SBA's review of their application.
 - This change would increase the number of firms in the 8(a) program -- both minority and non-minority.

Process

- The regulations, published ^{tomorrow} ~~[today?]~~ in the *Federal Register*, will be the subject of public comment for ⁶⁰ ~~[how many?]~~ days.
- After considering those comments, the SBA plans to issue final rules on this subject ^{in around} ~~[month?]~~
November

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SUMMARY OF SBA'S NEW 8(a) REGULATIONS

The primary purpose of the new regulations is to strengthen the business development focus of the 8(a) program.

- Establishes procedures for more equitable distribution of contracts to all 8(a) firms.
- Waives size affiliation rules for certain joint ventures to allow 8(a) and other small businesses to submit offers for and be considered responsible to perform larger contracts.
- Adds significant developmental assistance for 8(a) firms through the establishment of a mentor-protégé program.
- Eliminates the need for pre-approved SIC codes in a firm's business plan in order to qualify for an 8(a) contract.
- Specifically authorizes SBA to delegate the 8(a) contract execution function to procuring agencies.
- Permits disadvantaged owners to encumber stock in their firms to raise capital.
- Allows wholesale businesses to enter the program without showing that the firms can supply the product of a small manufacturer.
- Permits disadvantaged owners to establish eligibility based on managerial expertise without necessarily also possessing technical expertise.
- Permits greater flexibility for ANC's and tribes in owning and developing 8(a) firms.
- Eliminates the bar to program entry for franchisees.
- Reduces from twice a year to once a year the reporting requirement on agents and representatives.
- Implements the surplus property distribution legislative authority that allows 8(a) firms to obtain federal surplus property to use in their business operations.
- Makes non-compliance with competitive mix requirements a ban to receiving 8(a) contracts until the competitive mix is met.
- Establishes a limit on sole source contracts when the total 8(a) support equals five times the SBA size standard for their SIC code or \$100,000,000, whichever is less.
- Implements the Department of Justice's Proposal to further achieve "narrow tailoring"

of government contracting opportunities for Small Disadvantaged Businesses in order to meet the new constitutional standard.

Establishes rules for certification of small disadvantaged businesses for a government-wide Small Disadvantaged Business (SDB) Program.

DRAFT

STATEMENT BY THE PRESIDENT

Today I signed into law H.R. 1585, the "Stamp Out Breast Cancer Act." This legislation requires the U.S. Postal Service to establish a special rate of postage for first-class mail that patrons may use voluntarily to contribute to funding for breast cancer research.

Research and the prompt application of research results are the strongest weapons we have against breast cancer. Today, breast cancer remains the most commonly diagnosed cancer among women. It affects one in eight women in their lifetimes and has touched the families of nearly every American, including my own. But we are making great strides in the study of this disease. Our goal must be to cure and to prevent breast cancer in the near future.

I am pleased that this bill builds on this Administration's long history of support for breast cancer research and prevention. Already, between 1993 and 1997, funding for breast cancer research at NIH has increased 75%. This bill creates another way for Americans to further support the important research that will make a difference in the lives of millions of families.

For these reasons, I am pleased to have signed H.R. 1585 into law.

- POTUS will Sign Sometime this afternoon
- WH Photo only
- Chris Jennings will be in pre-brief to discuss + in briefing room to take Q+A if necessary.

Press Guidance
August 13, 1997

ALTITUDE WARNING SYSTEM

Background: Today's NYT reports that a new kind of altitude warning system may have prevented numerous crashes into mountainous ranges (Korean crash in Guam).

- This is a perfect example of new technology being used to make our skies safer and the FAA is very encouraged that several airlines, including American, are already installing this new equipment.

Q: Why has this not been published as a mandatory rule by the FAA if it is known to make our skies safer?

A: All planes are required to have altitude warning systems and the FAA engineers are currently working to determine how to adapt this new technology to use in conjunction with existing altitude equipment. Once this is accomplished we expect FAA to propose a rule to make these enhanced altitude systems mandatory.

Silverman
per Schultz/DOT

Press Guidance

August 13, 1997

CASA YOUTH DRUG STUDY

Background: CASA (National Center on Addiction and Substance Abuse at Columbia University), whose President is Joe Califano a friend of the President, released a study indicating America's children are using drugs at the youngest ages ever.

- We commend CASA and Joe Califano for generating this important study.
- Despite last weeks tentative good news in the Household survey showing a small drop in youth drug use this year (end of 5-year rise in juvenile use of marijuana and leveling off of underage drinking and smoking), we have a great amount of work to do to assure that we achieve a solid downturn.
- This is more evidence that we need to continue full funding of the President's National Drug Strategy.

Q: This survey shows that youth are trying drugs, in particular heroin, at a very early age -- Has the President properly addressed the heroin issue?

A: On the specific issue of heroin usage - As you might remember in his speech to the US Conference of Mayors in May the President said: "The Glorification of Heroin is not creative, it's destructive; it's not beautiful, it's ugly. And this is not about art, it's about life and death."

Approved by Rahm

FOR IMMEDIATE RELEASE
Wednesday, Aug. 13, 1997

Contact: HHS Press Office
(202) 690-6343

STATEMENT BY DONNA E. SHALALA
Secretary of Health and Human Services
Regarding Substance Abuse and the American Adolescent

"The release of the report, Substance Abuse and the American Adolescent, is one more important signal for parents and policy-makers alike. By threatening our young people, drug and alcohol abuse threaten our nation's future. The findings of this report reinforce the need for our basic strategy: to reach our youngsters with the truth about substance abuse at a very early age.

"Last week, with the release of our National Household Survey on Drug Abuse, we saw a glimmer of hope that young people may be hearing the message. But today's report underlines what we said then: that substance abuse remains a constant and unrelenting threat, and that we must be recommitted to our goals on behalf of our children.

"The President's long-term, comprehensive national drug control strategy has as its number-one priority reducing drug use by young people. We are committed to working with Congress, with the states, with parents and with youth leaders everywhere to achieve this national goal.

"I thank former HEW Secretary Califano for his efforts as a key partner in our common effort to address the serious problem of substance abuse."

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PEDIATRIC LABELING Q&A

Q: WHY ARE YOU DOING THIS REGULATION NOW?

A: Despite efforts to increase the number of studies on pediatric populations, still too many children take prescription drugs that have not been tested on children. Over 80 percent of drugs manufactured in the United States have not been tested on children and over 50 percent of drugs that are known to be widely used by children have not been tested.

As a result, some physicians are reluctant to prescribe much-needed therapies to children. Physicians report that they have denied children important new drugs because, in the absence of adequate testing and labeling, they would have to guess at an appropriate dosage, and they do not want to take that risk.

In some cases, guessing can be extremely dangerous. One example of the possible harm is the case of “gray baby syndrome” where a number of babies died from chloramphenicol, an antibiotic that their immature livers were unable to accept. Other children have had withdrawal symptoms from prolonged administration of fentanyl, a pain killer used as an adjunct to anesthesia in infants and small children. Still others have suffered seizures and cardiac arrest from bupivacaine, a local anaesthetic not adequately tested in pediatric populations.

Q: CAN'T YOU ACHIEVE THE SAME EFFECT THROUGH VOLUNTARY COMPLIANCE?

A: FDA has already implemented reforms to encourage voluntary compliance. However, as 80 percent of drugs manufactured in the United States and over 50 percent of drugs widely used in children still do not have adequate pediatric labeling, FDA has concluded that this new rule is necessary to ensure that children get the protection they need.

Q: GIVEN THAT THE DRAFT FDA REFORM LEGISLATION, PENDING IN CONGRESS, CONTAINS FINANCIAL INCENTIVES TO ENCOURAGE VOLUNTARY COMPLIANCE, WHY IS THIS RULE NECESSARY?

A: The Congressional approach, while thoughtful and worthy of serious consideration, would not assure that most or all of prescription drugs used by children are tested and labeled appropriately. We believe that the Dodd/Dewine legislation has the potential to complement the regulation the President is unveiling today, but it is not a replacement for it.

Q: DO YOU SUPPORT THE DODD LEGISLATION AS CURRENTLY DRAFTED AS A COMPONENT OF THIS EFFORT?

A: We are reviewing this legislation to determine if it can be designed to compliment and bolster our efforts today. We believe that it has great potential to compliment the legislation but we are not prepared to accept it as currently drafted before we consider all of the ramifications of overlaying the important regulation the President is announcing today.

Q: HAVE CHILDREN BEEN AT RISK IN THE PAST?

A: Yes. In some cases physicians do not prescribe drugs because they determine that it is simply not worth taking the risk of prescribing drugs that have not been tested in children.

In other cases, physicians choose to prescribe treatment, because it is the only means to cure a child's nagging illness or even a life threatening disease. Those physicians are left to make their best guess at the appropriate doses -- rather than rely on the through studies and information that the rest of us take for granted.

In some cases, however, guessing can be devastating. One example of the potential for harm is the case of "gray baby syndrome" where a number of babies died from chloramphenicol, an antibiotic that their immature livers were unable to accept. Other children had withdrawal symptoms from prolonged administration of fentanyl, a pain killer used as an adjunct to anesthesia in infants and small children. Still others have suffered seizures and cardiac arrest from bupivacaine, a local anaesthetic not adequately tested in pediatric populations.

Q: HOW MANY PRODUCTS WILL BE AFFECTED BY THE RULE?

A: FDA anticipates that this will impact about 12 new drugs each year. The agency will also review drugs already on the market to determine which ones should have pediatric studies. FDA will work as quickly as possible to ensure that in a few years the drugs most important to children will have directions for use in kids on their labels.

Q: WHAT KINDS OF DRUGS ARE COMMONLY MISSING THIS PEDIATRIC DATA?

A: Drugs such as anti-asthmatics, steroids, drugs to treat gastrointestinal problems, strong pain medications, antidepressants, and antihypertensives commonly lack appropriate pediatric labeling.

Q: WHAT DO DOCTORS DO WHEN THEY DON'T HAVE THIS INFORMATION?

A: In some cases they choose not to prescribe the drugs at all. In other cases, they take their best guess -- without the assistance of information that we rely on for adult medications. Sometime, however, guessing can have dangerous consequences, such as seizures, heart problems, or even death.

Q: WHEN CAN PARENTS EXPECT THAT INFORMATION TO SUPPORT SAFE AND EFFECTIVE USE OF PRODUCTS IN CHILDREN WILL BECOME AVAILABLE?

A: We believe that, in some cases, the information already exists and the drug companies merely need to analyze and compile it. In these cases, the information can be made available on the labeling of the products fairly quickly. In other cases, studies need to be conducted. Under the requirements of FDA's 1994 regulation, where the effects of the product and the disease for which it is indicated are sufficiently similar in both adults and children, these studies can be done within one year.

Q: HOW MUCH WILL THIS COST DRUG MANUFACTURERS?

A: FDA estimates that the costs of pediatric studies will be less than 1% of the total costs of developing a drug.

Q: WILL DRUG PRICES INCREASE AS A RESULT OF THIS REGULATION?

A: Because the cost of pediatric studies to manufacturers is expected to be small, it is anticipated that there will be little or no price increases to patients.

Q: WILL THIS REQUIREMENT HOLD UP DRUG APPROVALS?

A: Clearly we will provide every incentive to complete the study before the drug is approved. However, the rule explicitly ensures that a drug's entrance into the market is not held up even if all studies on pediatric populations have not yet begun. We will rely on other legal and financial remedies to ensure that companies comply as soon as possible.

Q: WHEN WILL THIS REGULATION GO INTO EFFECT?

A: There is a 90 day period for comment on the proposed rule after which the agency will evaluate and respond to the comments and publish a final rule. The final rule will take effect 3 months after issuance. At that time, for drugs already on the market, FDA, in compelling circumstances, may request that pediatric studies be initiated. Manufacturers of new drug and biologic products, under review at the agency, will have 2 years to comply with the pediatric study requirement. Manufacturers of new products, not yet submitted for review, will have 18 months to comply with the requirement. Drugs already on the marketplace will have 3 months to comply.

Q: WHAT IS THE ENFORCEMENT MECHANISM FDA WILL TAKE TO FORCE COMPANIES TO PROVIDE THIS DATA ON APPROVED DRUGS?

A: FDA can go to court and ask the court to order the company to comply with the regulations. If the company does not comply, the court can impose penalties.

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

August 13, 1997

MEMORANDUM FOR MICHAEL MCCURRY

FROM: JEFFREY A. FRANKEL

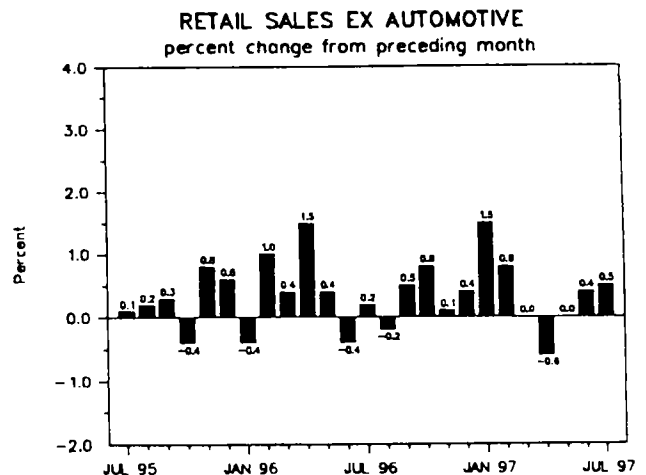
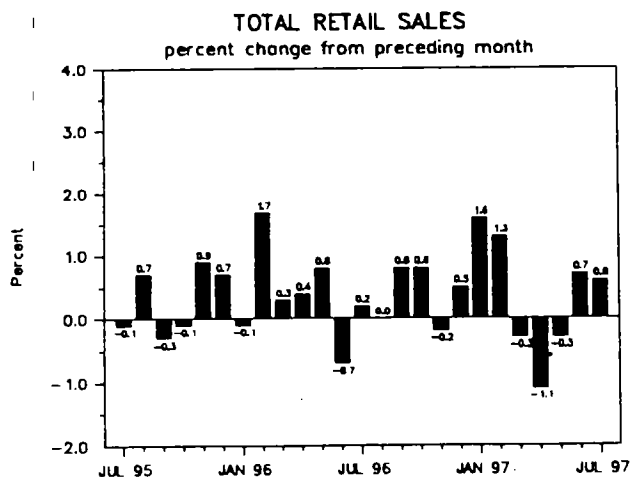


SUBJECT: July Retail Sales, Commerce Department Release,
Wednesday, 8:30 a.m.

Nominal retail sales rose 0.6 percent in July--close to market expectations.

- Sales at the Commerce Department's sample of auto dealers rose 1 percent in July. As reported by the automakers, the sales increase was even stronger--up from 14.1 to 15.5 million units at an annual rate between June and July.
- Excluding motor vehicles, retail sales rose 0.5 percent in July, after a solid 0.4 percent increase in June. The July increase was in line with market expectations.

After a very weak second quarter, the sales data received thus far imply a significant acceleration in third-quarter consumption. However, it remains to be seen how the UPS strike will affect August sales--especially at the mail-order houses.

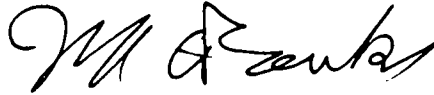


EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20502

August 13, 1997

MEMORANDUM FOR MICHAEL MCCURRY

FROM: JEFFREY A. FRANKEL



SUBJECT: Producer Price Indexes for July, Labor Department
Release, Wednesday, 8:30 a.m.

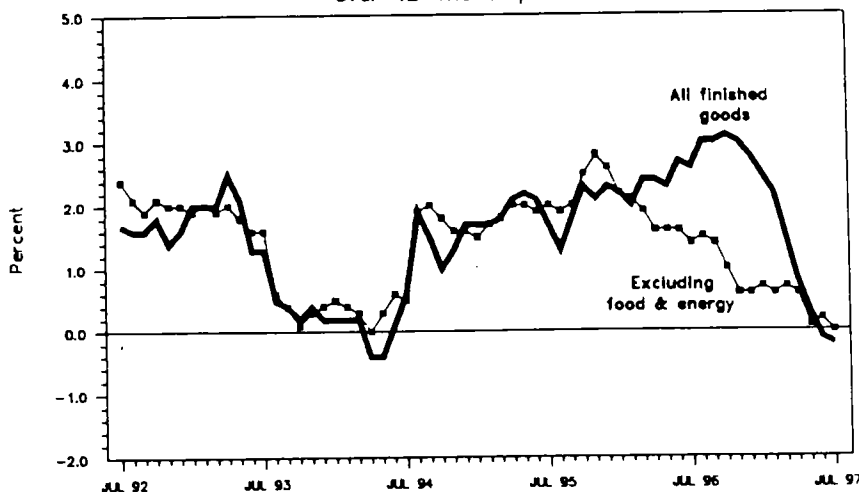
The producer price index for finished goods fell 0.1 percent in July--the seventh consecutive month of decline. The market had expected a slight increase.

- Food prices fell 0.2 percent and were virtually unchanged from a year ago.
- Energy prices edged up 0.1 percent in July, as declines in gasoline and fuel oil were offset by an increase in residential gas. The petroleum-based fuels have fallen about 6 percent over the past year.

The core PPI (finished goods less food and energy) fell 0.1 percent in July; the market had expected a slight increase. The price that dealers pay for motor vehicles fell 0.9 percent over the month and have declined 2.4 percent over the past year. Computer prices have tumbled 22 percent over the past year.

Inflation--as measured by the core PPI--was zero over the past 12 months--down from 1.4 percent during the year-earlier period. With the reversal of energy prices over the past year, the total PPI is now 0.2 percent lower than a year ago--down dramatically from its year-earlier rate (chart). Thursday's report on consumer prices will provide a more complete picture of inflation.

PRODUCER PRICE INFLATION
over 12-month periods



MIDDLE EAST PEACE PROCESS

August 12, 1997

Q: Who has Dennis Ross met with?

A: On the Israeli side, he has met with Prime Minister Netanyahu (three times), President Weizman, the Foreign and Defense Ministers and the heads of Israel's security organizations. On the Palestinian side, he has met with Chairman Arafat twice, as well as with the heads of Palestinians security organizations.

Q: (IF PRESSED): Did he also meet with Ariel Sharon?

A: At the request of the Prime Minister, he met with Sharon to brief him on his mission.

Q: Has he made any progress yet?

A: The security meetings between Israelis and Palestinians are first steps in the right direction, but the meetings are only the beginning of a process.

They need to produce results – we will be monitoring the situation closely.

(IF PRESSED on specific Palestinian promises and Israeli demands): I will not go into the details of our exchanges. Sustained unilateral action by the Palestinians and sustained cooperation between Israelis and Palestinians is essential to get the peace process back on track.

Q: The President and Netanyahu both insist that security issues must be addressed first, but Arafat wants the agenda broadened – isn't this causing an impasse?

A: No. Chairman Arafat has indicated that a high priority should be placed on security. We need to make sure this is translated into action.

Q: Is the US pressing Israel on the payments and closure issues?

A: We're concerned about security, but we are also concerned about actions that undermine the authority of the Palestinian Authority and make it harder to cooperate on security.

Israel has legitimate security needs that must be addressed. We expect the Palestinian Authority to intensify their efforts.

Israel has assured us that the closure and other measures are temporary.

Q: Do you support the right of the Israelis to go into the "Zone A" of the territories?

A: We are not going to answer a hypothetical – but as we said, what matters now is that the focus is on security cooperation between the parties – it's in their mutual interest to work together.

Q: What about the situation in southern Lebanon – isn't this troubling?

A: A year ago we put a mechanism in place – the Israeli Lebanon Monitoring Group – to deal with these tensions. The group met all day Sunday and Monday along the border to consider the large number of recent incidents..

Q: Has the President talked to Ross?

A: The President has been briefed by Deputy National Security Advisor Jim Steinberg, who has stayed in regular communication with Ross – he was briefed on Saturday, yesterday and today.

Q: When do you expect Dennis Ross to return to the United States?

A: Dennis will stay over at least until tomorrow. I will not go into further details of his itinerary.

Q: When will Secretary Albright go?

A: We expect Secretary Albright to travel to the region assuming there is progress in the security area.

Q: How can Ross negotiate with any leverage if it's known that Albright will go?

A: Secretary Albright's trip is predicated on progress in the security area – so they are mutually reinforcing.

Q: What about Arafat calling on Saddam and the other Arab leaders to join in a summit?

A: Saddam has no useful role to play in the Arab Israeli peace process. We have communicated that to Chairman Arafat and he agrees.

Q: The Palestinian Authority has called for conscription – isn't this a violation of Oslo?

A: Clearly this is time for all parties to cool their rhetoric, and not take actions that undermine confidence.

Q: Isn't Israel crippling Arafat and the PA?

A: First, let's be clear. Fighting terror is in the interest not only of the Israelis but also the Palestinian people. Terrorists seek to destroy the peace process, which is the only vehicle for both parties to achieve their goals.

Q: Do you believe that Israel's decision to construct a neighborhood at Har Homa triggered the current impasse?

A: The focus at the moment should not be on trying to blame one party or another for the current impasse. The focus must be on improving security cooperation so that we can refocus on returning to the negotiating table – the only way to peace.

Q: What if Israel persists in its unilateral actions like Har Homa?

A: The immediate issue is restoring an adequate level of security cooperation.

That said, it's hard to have a credible environment when the parties are taking steps that are seen by the other to be prejudicing the outcome of negotiations.

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: Actually Cahill got a visa BEFORE the August 1994 ceasefire...)

Q: Will you grant Adams a visa? What about fundraising?
(Background: Adams, Martin McGuinness and Richard McAuley applied for visas in Dublin August 11.)

A: Application submitted to Embassy in Dublin August 11. No action taken yet. Would 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.

SOUTHERN LEBANON

August 8, 1997

Q: What is the current status of fighting in southern Lebanon?

A: One Katyusha rocket struck a synagogue in Northern Israel, slightly injuring one person. (FYI: two others suffered shock upon learning of the event)

We condemn such attacks and are concerned about the escalation of violence in the region over the last several days, particularly in the civilian casualties it has produced.

We have been in contact with all parties directly to express our concern about the recent violence, and have urged maximum restraint.

Q: Wasn't this just the latest attack in a cycle that began when Israeli forces killed 5 Hizballah members and other attacks that have resulted in civilian casualties? Who is to blame?

A: There can be no excuse for the recent Katyusha Attack on civilians.

The US supports the sovereignty, independence and territorial integrity of Lebanon.

At the same time, the US supports the Israeli right to defend itself from attacks directed against its citizens and the security of its northern border.

The Israel-Lebanon monitoring Group, which has helped to diffuse tensions in the area since its inception in June 1996, will meet Sunday to discuss the recent violence.

We support the ILMG's work. It is the proper venue for dealing with violence.

Q: You say urging restraint, but what are you doing to end the flare ups? This one has cost thirteen lives so far.

A: The security of the Israeli-Lebanon border must be insured through lasting arrangements.

We believe this can be done best through direct discussions and agreements between the parties.

Turkish Cypriot Agreement with Turkey on "Association Council"

Q: What is your reaction to the August 6 announcement by Turkish Cypriot leader Denktash and Turkish FM Cem on the economic and security integration of Northern Cyprus with Turkey? What impact will this have on next week's UN-sponsored Cyprus settlement talks in Montreaux, Switzerland?

A: We are aware of the joint statement issued by Mr. Denktash and Foreign Minister Cem.

The U.S. strongly supports the U.N. in its efforts to secure a settlement of the Cyprus dispute.

We do not think this announcement was helpful, and we don't want to see any steps taken which undermine the U.N. negotiation process or which move toward the permanent partition of the island.

Our goal, and the goal of the international community, is settlement of this dispute. We urge the parties to take only those steps that advance a solution.

Q: Any reaction to the UN talks now underway in Switzerland?

A: Welcome this second round of UN-sponsored direct talks between Cypriot leaders (Clerides and Denktash), August 11-16 in Glion, Montreaux, Switzerland.

Pleased to see parties coming together. Strongly support UN efforts. Ultimate objective remains a comprehensive settlement to establish a bizonal, bicomunal federation.

Seen no official comment from UN, since opening of talks. Press Blackout imposed, and don't expect comment until conclusion.

(BACKGROUND: Glion talks are continuation of direct talks held in Troutbeck, NY from July 9-13. UN Sepcial Adviser on Cyprus, Diego Cordovez, will host talks. U.S. is not participant in direct talks, but has Ken Brill, U.S. Ambassador to Cyprus, in Glion. Brill will be meeting with Greek and Turkish representatives.)

INDIA
August 12, 1997

Q: Is the President going to India?

A: The President would like to be able to visit South Asia soon, and we are examining the possibilities for such a trip.

Currently no decision on whether and when.

Q: What has the U.S. been doing to help Thailand with its currency crisis?

A: U.S. has strong interest in maintenance of financial stability and sustained economic growth in Thailand, as we do so in the rest of Southeast Asia and the developing world.

Treasury has been following the situation in Thailand very closely and has remained in close contact with Thai officials, the IMF, and our Asian partners about it.

We look forward to a rapid conclusion of talks between the IMF and Thai authorities on a strong package of economic policy reforms.

We welcome the results of the conference in Tokyo today (Aug 11) and the multilateral and bilateral financing package that is being put together to support Thailand's economic recovery program.

Q: Has violence continued in Kenya following Friday's incidents?

A: We are not aware of any clashes since then linked to Friday's violence. There were two days of violence in one Nairobi neighborhood which appears to be linked to ethnic tensions rather than national politics.

Q: Have there been any developments associated with Friday's deaths?

A: The Police Commissioner has promised swift action against those responsible for the deaths of two police officers. Most pro-democracy opposition leaders have agreed that such action is necessary. They have complained that the government has not shown similar energy in pursuing those responsible for killing demonstrators on July 7.

Q: What is the U.S. view of Friday's violence?

A: The U.S. Government condemns the violence that marred demonstrations in Kenya on August 8. Although security forces were allowing a Nairobi rally to proceed unopposed, one police officer was brutally beaten to death, a second officer was stoned to death, and looting was widespread. The credibility of advocates of democratic reform suffers when they allow freedom of assembly to end in violence. The U.S. continues to call on all Kenyans to eschew violence and begin the peaceful, inclusive dialogue which can lead to free and fair elections.

Q: How important is Fast Track?

A: As the President has made clear, we will seek legislation from Congress to secure fast track trade negotiating authority. We believe such authority is important to help us continue the successful work of the President's first term.

Every President since Ford has had fast track authority for key periods with bipartisan support. The reasons for it now are more compelling than ever. International trade is increasingly important to our future. Over the next decade, the global economy is expected to grow at three times the rate of the U.S. economy. Over the past four years, one-quarter of our economic growth came from trade - and exports created 1.4 million new jobs. In a world where over 95% of the world's consumers live outside the U.S., we must export to sustain growth at home.

Fast track authority will permit us to continue the work of opening markets around the world through the WTO and other global institutions. For example, trade authority permitted us to secure the recent Information Technology Agreement, which will open a \$500 billion global information technology market. In 1995, 3.3 million U.S. jobs were supported by \$90 billion in exports of these products.

Without fast track authority, we risk sitting on the sidelines while other countries open markets to their products or set new trading rules contrary to U.S. interests. Since 1992, in Latin America and Asia alone, other countries have reached 20 preferential trade agreements without us. We must be active. We have nothing to fear. The U.S. is already the most competitive, the most open and most successful large economy in the world.

In the fall, we will offer a fast track proposal to Congress and seek passage in both the House and Senate.

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.**

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.

Yeltsin Ex-Bodyguard's Kiss and Tell Book

- **Not for us to comment on Korzhakov's book. Note President Yeltsin has played key leadership role in guiding Russia through transition to democracy and market economy; has been active and fully engaged since recovery from earlier illness.**

Harvard Advisors in Russian Financial Scandal

- **AID canceled certain Harvard Institution for International Development contracts in Russia based on AID Inspector General investigation indicating two HIID employees potentially involved in serious conflicts of interest. Refer to AID for details.**
- Understand that a Russian NGO, the Institute for Law-Based Economy (ILBE), has removed AID-financed equipment, without authorization, from premises it shared with HIID before contracts were cancelled.
- Embassy has engaged senior Russian officials on this matter; hope to achieve mutually agreed disposition of the equipment in question. Refer to AID for further details.

RUSSIAN MIR SITUATION

August 8, 1997

On August 7, the Russian replacement crew successfully docked with the Mir. The Mir crew continues to service the primary oxygen generation system, which has been down for a week. They are currently relying on oxygen-generating canisters, and there is a supply sufficient for about two months on board. Mir's other major systems are operating well at this time.

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 14 Original 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 may participate.)
 - 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.

Q: Why is Gelbard going back to Bosnia?

A: Special Representative Gelbard is heading back to the region to follow-up in Sarajevo, Belgrade and Zagreb on work from the Holbrooke-Gelbard trip and maintain the momentum of our re-energized implementation effort.

NSC Special Assistant to the President for Dayton Implementation Jock Covey will accompany Gelbard (as he did with Holbrooke-Gelbard)

Refer to State for other details.

Is SFOR is planning to detain Karadzic 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.
- We are considering a full range of options to facilitate delivery of war criminals to the Hague. We continue to press the Parties to live up to their obligation to turn over war criminals.
- SFOR is authorized to detain war criminals encountered in the course of its regular duties and if the tactical situation permits. The recent SFOR operation to detain war criminals in Prijedor conformed to this mandate. Any indicted war criminal would be subject to detention in such circumstances.

If asked about ABC report on U.S. forces training to apprehend war criminals

- **Contrary to what has been reported, U.S. forces are not now in training for or participating in any unilateral or multinational commando operation to apprehend indicted war criminals in the former Yugoslavia.**
- **It is the policy of the Administration to help the International War Crimes Tribunal bring indicted war criminals to justice.**

If asked about Plavsic statements that Secretary Albright offered Karadzic a deal (WP)

- **Secretary Albright made no such offer. Our position on war criminals, including Karadzic, remains unchanged -- no exile, no amnesty, only a fair trial in the Hague.**

(if pressed, cannot comment on possible future operations)

Corruption in Bosnia (NYT)

- **Corruption in Bosnia is a serious problem, particularly in Republika Srpska. One of the reasons thousands of Bosnian Serbs are standing up to support Plavsic is that the Bosnian Serb people are fed up with the corruption and repression of the Pale hardliners.**
- **We have tailored our assistance efforts specifically to counter corruption in Bosnia, by making assistance contingent on behavior of the parties and with substantial accounting requirements that prevent assistance funds from being misused.**
- **One of our top priorities is the restructuring and retraining of police in Bosnia in accordance with democratic standards. Retraining and restructuring will help end the use of police as a tool for corruption and repression by hard-line leaders. We have already completed initial restructuring of police forces in two cantons of the Federation.**

Meeting with Milosevic

- The Holbrooke-Gelbard team met with Milosevic on Friday and both Milosevic and Krajisnik on Saturday. They explained to Milosevic that support for Plavsic is evident that ordinary Serbs are fed up with the corruption and repression of the Pale hardliners.
- The team warned Milosevic that his continued disengagement and non-cooperation by Pale could have disastrous results, including for the FRY.

Did Holbrooke Tell the Serbs of Plans to Capture Karadzic?

- The team made very clear that Karadzic must go and that that we will not be satisfied until he faces trial at the Hague. We told the Serbs that we are considering every option until Karadzic is brought to justice.

(If pressed, will not go into further details of private meeting)

Holbrooke-Gelbard Team with Izetbegovic/Tudjman

- Team made important progress on implementation, including signing of agreements by Croatian and Bosnian Presidents which demonstrated a positive spirit of cooperation. Agreements cover return of refugees (including bringing to justice those who attacked refugees earlier this month), 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-Gelbard Team with Joint Presidency

- Team also made progress with the Joint Presidency and the Council of Ministers

- The Joint Presidency approved the allocation of Embassies among the three ethnic groups. Of note, the Serbs will choose the Ambassador to the United States. The three Presidents also approved remaining details on the Standing Committee on Military Matters, which will be critical to transparency and confidence building.
- We expect concrete action by each of the Parties to fully implement these and other commitments under the Dayton Accords.
- 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?

- On August 8, General Shinseki (COMSFOR) announced a new policy for the control and restructuring of Special Police in Bosnia in accordance with Dayton. Special police that have not been certified by the IPTF – and therefore have not been restructured – will be treated as military forces in accordance with Annex 1A.
- This policy will speed democratic police reform.

(if asked about details of new SFOR rules for police, refer to DoD; for details on IPTF police restructuring, refer to State)

SFOR's efforts on Helping Refugees

- 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 Bosnian Serb people are clearly fed up with the corruption and repression of the Pale leadership.

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.

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.

12 August 1997

Department of Defense Comment on ABC News Report:

Contrary to what has been reported this evening, U.S. forces are not now training for or participating in any unilateral or multinational commando operation to apprehend indicted war criminals in the form of Yugoslavia.

It is the policy of the Administration to help the International War Crimes Tribunal bring indicted war criminals to justice.

Q: Any comment on the meeting between Hun Sen and King Sihanouk in Beijing?

A: Hun Sen, Ung Huot, acting head of state Chea Sim, and other Cambodian politicians have traveled to Beijing to meet with King Sihanouk. Our position remains that the process by which Ung Huot was selected as First Prime Minister was undemocratic. However, we welcome any dialogue between Cambodia's major players that will lead to free and fair elections in May 1998.
Q: What is the U.S. position on the possible abdication by King Sihanouk?

A: We would prefer not to comment on what would clearly be a significant personal and political decision for the King. However, I would note that the King is a popular figure among Cambodians, and he does have significant public influence. A decision to abdicate would obviously have major political implications for Cambodia.

Q: Any comment on ASEAN's decision in Singapore that it will no longer recognize Ranariddh as First Prime Minister? What is the U.S. position? Do we still follow ASEAN's lead?

A: Our understanding is that ASEAN members recognize states, not governments. The ASEAN foreign ministers indicated they would continue their relationship with Cambodia. Our understanding of the ASEAN foreign ministers' statement is that they did not discuss the issue of recognition of Ranariddh or Ung Huot as First Prime Minister.

We welcome the ASEAN foreign ministers' announcement that they will continue their mediating role to seek a peaceful and democratic resolution to the Cambodian political crisis. We understand that the ministers have proposed hosting a dialogue between the parties in the conflict. We fully endorse ASEAN's efforts in this regard.

We strongly support the efforts of ASEAN to mediate in an effort to restore implementation of the Paris Accords in Cambodia. 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 have been in regular and close contact with ASEAN regarding Cambodia's political crisis.

Q: Will the U.S. lift the suspension of aid to Cambodia?

A: On Friday, August 8, Secretary of State Albright decided to continue the suspension of all non-humanitarian aid indefinitely. We have suspended all assistance except some

humanitarian and election-related projects provided through NGO's and USAID contractors. None of our aid will directly benefit the Cambodian government.

During the suspension period, we have continued the equivalent of \$20 million in activities. For the immediate future, we are continuing the same programs. We plan an in-depth program review at the end of August.

Q: Can you provide an update on Desaix Anderson's mission to the region?

A: **Yesterday, Mr. Anderson was in Singapore to meet with the ASEAN foreign ministers. He met with Indonesian Foreign Minister Ali Alatas, the leader of the ASEAN foreign minister's group that is working toward a resolution of the Cambodian political crisis. Mr. Anderson briefed Foreign Minister Alatas on his meetings in Phnom Penh with Ung Huot and others (see below).**

Mr. Anderson also met with other foreign ministers and senior officials. His discussions focused on ASEAN's efforts to restore political stability and ensure free and fair elections in Cambodia in May 1998.

Over the weekend, Mr. Anderson visited Phnom Penh, where he met with newly installed First Prime Minister Ung Huot. His purpose was to inform Ung Huot of the U.S. decision to extend indefinitely the suspension of aid. He also reaffirmed to Ung Huot the core principles that are guiding U.S. decisions on future assistance to Cambodia. Mr. Anderson also met with ASEAN ambassadors, donor country ambassadors, human rights representatives, and other government officials.

Q: Does this mean you recognize Ung Huot as First Prime Minister?

A: Ung Huot retains his position as Foreign Minister. As we have said, we consider the process by which he was named First Prime Minister to have been undemocratic. We have also said we are prepared to meet with him as necessary.

Q: Do you recognize Ranariddh as Prime Minister?

A: Ranariddh's status is a decision for FUNCINPEC to make. We believe that all exiled leaders, including Ranariddh, should be allowed to return to participate freely in the political process.

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 UN 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.

Background for Four Party Preparatory Talks

The Chinese, North Korean and South Korean delegations were led by a vice or deputy minister of Foreign Affairs. The U.S. delegation was headed by Chuck Kartman, Principle Deputy Assistant Secretary of State. The U.S. delegation had representatives from the NSC, JCS, OSD, and State Department. The U.S. delegation held 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 was 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: What is the status of talks in New York?

A: The Four Party preparatory meeting recessed August 7, with agreement to reconvene during the week of September 1-5 in New York to address the final issue for decision - setting the agenda for the Four Party plenary. The four parties tentatively agreed on the timing (6 weeks after final agreement on the agenda), venue (Geneva - the Swiss have offered to provide substantial support for the talks), level of representation (Minister will meet as appropriate and available; heads of delegations will report to the Ministers and be of roughly equal rank - Deputy Minister/Assistant Secretary level) and procedural issues (U.S. will chair the first plenary; sequence of rotating chairmen will be determined by drawing lots)

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

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

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.

LANDMINES
July 29, 1997

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

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

Want to achieve this goal as soon as possible

Must end the worldwide suffering caused by these hidden killers.

[If needed:]

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

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

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

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

No conclusions or decisions have been reached.

The Administration will continue to review the issue.

Leahy Legislation

Q: Senator Leahy has announced that he is introducing legislation further curbing U.S. use of anti-personnel landmines. What is the Administration's position on this new legislation?

A: The President has committed the United States to aggressively pursue an international agreement to ban use, stockpiling, production and transfer of APL, with a view to completing the negotiation as soon as possible.

We are pursuing that goal in the Conference on Disarmament (CD) in Geneva, working to establish a negotiating mandate as soon as possible.

The CD offers the most practical alternative for achieving a global ban. Its membership is broad and geographically representative. It has a proven track record. The CD includes most of the countries which are historically the world's landmines producers. It is precisely these countries which need to be part of a ban to ensure the ban will be effective.

The proposed legislation would prohibit funding for new U.S. deployment of anti-personnel landmines (APL) beginning January 1, 2000.

This would be inconsistent with U.S. APL policy, which seeks a global agreement to ban APL and reserves the option for the U.S. to use self-destructing/self-deactivating APL in military hostilities to safeguard American lives and hasten the end of fighting.

The United States views the security situation on the Korean Peninsula as a unique case and in the negotiation of a global APL ban will protect our right to use APL there until alternatives become available or the risk of aggression has been removed.

We note that the legislation does take into consideration a key element of U.S. APL policy in allowing for the possibility of an exception for U.S. deployment of APL on the Korean Peninsula, provided the President submits an annual report to Congress certifying that new deployments are "indispensable to the defense" of South Korea.

However, this recognition of our security requirement in Korea does not outweigh the disadvantages of the proposed legislation, especially in undermining our strategy of seeking negotiated global ban rather than a unilateral measure.

Q: How significant is the decision yesterday at the Conference on Disarmament?

On June 26 in Geneva the 61 nations of the Conference on Disarmament agreed to set up a special coordinator on anti-personnel landmines. Ambassador Campbell of Australia will serve in this role.

The special coordinator will act as a facilitator to develop a mandate for next steps in negotiations on anti-personnel landmines.

This agreement is an important step forward toward the establishment of negotiations on anti-personnel landmines in the CD.

We look forward to early progress in the next CD session beginning on July 28.

Q: What is your position on the Canadian-led "Ottawa Process"?

A: We welcome the Ottawa Process as providing important momentum toward the common goal of a ban on anti-personnel landmines.

During the visit here of Prime Minister Chretien, this issue was discussed. We and the Canadians agreed to meet to see if we could "narrow our differences."

Pursuant to this agreement, experts met in Ottawa in mid-June. These meetings were a good first step.

A U.S. delegation was present as observers at this week's "Ottawa Process" conference in Brussels. Negotiations on the Ottawa Process treaty text will begin in Oslo in September.

Between now and September we will continue our close consultations with the Canadians and others.

No decision has been made on whether we will participate in the Oslo meeting.

Q: Is there a policy review underway?

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

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

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

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

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

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

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

We look forward to early progress.

This CD session lasts until September 10.

Announcement of Iranian President Khatami's Cabinet

- **At the time of Mr. Khatami's election, President Clinton stated that he found the results of the election to be an interesting and potentially hopeful development.**
- **Mr. Khatami's choice of his cabinet members appears to reflect the breadth of his constituency.**
- **The President stated at the time of Mr. Khatami's election, however, that we still have serious concerns about Iranian behavior, including its attempts to acquire weapons of mass destruction and their means of delivery, its support for terrorism, and its support for violent opposition to the peace process.**
- **We hope that Mr. Khatami's and his cabinet's assumption of their responsibilities will represent an opportunity for Iran to turn the current policy of that government in a positive direction.**