

FOIA MARKER

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

Folder Title:

[Presidential Diary Box 195] May 18, 1998

Staff Office-Individual:

Presidential Diarist-McCathran, Ellen

Original OA/ID Number:

CF 200035

Row:	Section:	Shelf:	Position:	Stack:
24	3	8	1	V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. schedule	[POTUS Schedule for May 18, 1998] (2 pages)	05/18/98	P6/b(6)
002. log	Presidential Call Log (1 page)	05/18/98	P6/b(6)
003. schedule	[Schedule for Monday, May 18] (1 page)	05/18/98	P6/b(6)
004. schedule	Schedule of the President for Monday, May 18, 1998, Draft Schedule [partial] (5 pages)	05/18/98	P6/b(6)

COLLECTION:

Clinton Presidential Records
 Presidential Diary
 Ellen McCathran (Presidential Diarist)
 OA/Box Number: CF 200035

FOLDER TITLE:

[Presidential Diary Box 195]- May 18, 1998

2006-1854-S

rs164

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

P1 National Security Classified Information [(a)(1) of the PRA]
 P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P3 Release would violate a Federal statute [(a)(3) of the PRA]
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 b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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WASHINGTON

PRESIDENTIAL CALL LOG

MAY 18th

19 98

[illegible]

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PRESIDENTIAL MOVEMENTS

Buckinghamshire, England
 Edlesborough, England
 Buckinghamshire, England
 London, England
 Geneva, Switzerland

LOCATION: Washington, D.C.

DATE: 18 May 1998

TIME

MOVEMENTS

SST

EST

0651	Depart Chequers via Motorcade	(LOW KEY)
0659	Arrive Edlesborough Golf Course, Edlesborough, England	(LOW KEY)
0820	Depart Edlesborough Golf Course via Motorcade	(LOW KEY)
0825	Arrive Chequers, Buckinghamshire, England	(LOW KEY)
0932	Depart Chequers via Marine One	
0953	Arrive Winfield House Landing Zone, London, England	
1004	Depart Winfield House Landing Zone via Motorcade	
1025	Arrive 10 Downing Street	
1533	Depart 10 Downing Street via Motorcade	
1611	Arrive Hethrow International Airport	
1628	Depart Hethrow International Airport via Air Force One	
1833	Arrive Geneva International Airport, Geneva, Switzerland	
1856	Depart Geneva International Airport via Motorcade	
1907	Arrive United States Mission	
1928	Depart United States Mission via Motorcade	
1931	Arrive United Nations	
2020	Depart United Nations via Motorcade	
2032	Arrive Geneva International Airport	
2044	Depart Geneva International Airport via Air Force One	
2204	Arrive Andrews Air Force Base, Maryland	
2220	Depart Andrews Air Force Base via Marine One	
2229	Arrive South Grounds	
2233	Residence	

Withdrawal/Redaction Marker

Clinton Library

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6:37
8:20 > GOLF AT CHEQUERS w/ PM Tony Blair
(Tony Blair in line)

Monday, May 18, 1998

SCHEDULE OF THE PRESIDENT
FOR
MONDAY, MAY 18, 1998

Draft Schedule

STAFF NOTE:

8:00 AM

Staff who have been approved to participate in the briefings and meetings depart the Churchill Hotel via vans en route the Foreign Commonwealth Office. Upon arrival these staff members will proceed to staff hold in the Foreign Commonwealth Office.

Staff holding space in #10 Downing Street is extremely limited. Only the following people will have access to #10 Downing Street: Sylvia Mathews, Sandy Berger, Kris Engskov, Michael Feldman, Military Aide, Dr. Connie Mariano. All other staff will hold at the Foreign Commonwealth Office which is located across the courtyard.

Staff members who are needed for briefings/meetings will be escorted by advance staff at the appropriate times to #10 Downing Street to participate. Upon conclusion of these briefings, staff will be escorted back to the Foreign Commonwealth Office.

(SEE ABOVE)

~~8:15~~ am-

~~8:30~~ am

[3:15-3:30am EST]

~~CHIEF OF STAFF MEETING
CHEQUERS~~

Staff Contact: Sylvia Mathews

Canberra

~~8:35~~ am *9:29*

[3:35am EST]

THE PRESIDENT and Prime Minister Tony Blair depart Chequers via Marine One en route Winfield House Landing Zone - London [flight time: 30 minutes]

May 16, 1998 (2:42pm)

Monday, May 18, 1998

~~9:05~~ am **952**
[4:05am EST]

THE PRESIDENT and Prime Minister Tony Blair arrive Winfield House Landing Zone - London
OPEN PRESS

Greeters) Andy; Mrs Pittman Lauer

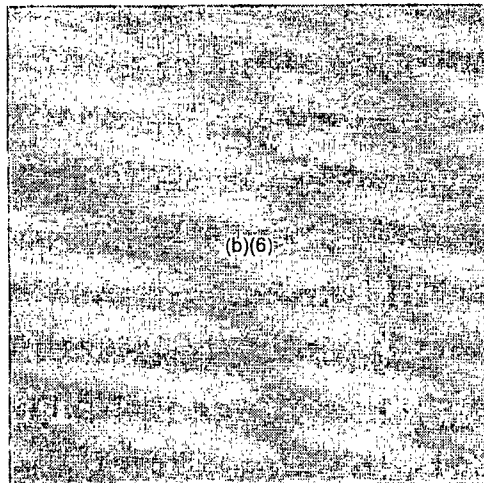
Note: Prime Minister Blair will depart in a separate motorcade, prior to the President's.

955
1007

DRIVER/EMBASSY MARINE PHOTOS
WINFIELD HOUSE LANDING ZONE

~~9:15~~ am **1004**
[4:15am EST]

THE PRESIDENT departs Winfield House Landing Zone via motorcade en route #10 Downing Street
[drive time: 5 minutes]



~~9:20~~ am **1024**
[4:20am EST]

THE PRESIDENT arrives #10 Downing Street
OPEN PRESS

Greeter: Prime Minister Blair
(outside)

Greeter: President Santer, European Union
(Inside)

~~9:25~~ am **1028**
~~9:55~~ am **1038**
[4:25-4:55am EST]

BRIEFING
PRESIDENTIAL HOLD
#10 DOWNING STREET

Staff Contact: Samuel Berger, *Barnes*, *Spennig*, *Stanbury*, *McLunny*,
Amir

May 16, 1998 (2:42pm)

Monday, May 18, 1998

~~10:00~~ am- 1040
~~10:45~~ am 1136
[5:00-5:45 am EST]

US-EU SUMMIT RESTRICTED SESSION
CABINET ROOM
#10 DOWNING STREET
Staff Contact: Samuel Berger
Event Coordinator: Laura Graham
CLOSED PRESS

PARTICIPANTS
The President Samuel Berger Donald Bandler (note taker)

~~10:55~~ am 1139

THE PRESIDENT, accompanied by Prime Minister Blair and
President Santer proceeds to the State Dining Room
POOL PRESS

~~11:00~~ am- 1142
~~11:45~~ am 1220
[6:00-6:45 am EST]

US-EU SUMMIT PLENARY SESSION
STATE DINING ROOM
#10 DOWNING STREET
Staff Contact: Samuel Berger
Event Coordinator: Laura Graham
CLOSED PRESS

PARTICIPANTS
The President Ambassador Phil Lader Ambassador to EU Vernor Weaver Secretary Albright Secretary Daley Ambassador Barshefsky Sylvia Mathews Samuel Berger Gene Sperling Stuart Eizenstat Donald Bandler (note taker) Anthony Wayne David Aaron USTR Rep. TBD

STAFF NOTE:

12:00 pm

Staff manifested for the Press Conference but not participating in the morning sessions depart the Churchill Hotel via van en route Foreign Commonwealth Office.

May 16, 1998 (2:42pm)

Monday, May 18, 1998

~~11:50~~ am-1224
~~12:50~~ pm 1:13
[6:50-7:50am EST]

BRIEFING/LUNCH
PRESIDENTIAL HOLD
#10 DOWNING STREET

Staff Contact: Sylvia Mathews, Samuel Berger *Steinberg, Aronson, Dineen, Sperline, Begun, Brainerd, Lader, McIlroy, Lockhart, Sanderson, Barsky, Helms*

~~12:55~~ pm 1:17
[7:55am EST]

THE PRESIDENT, accompanied by Prime Minister Blair and
President Santer proceed to Foreign Commonwealth Office
[walk time: 2 minutes]

STAFF NOTE:

1:00 PM Staff not participating in USEU Sessions depart the Churchill
Hotel via vans en route Heathrow International Airport.

May 16, 1998 (2:42pm)

Monday, May 18, 1998

~~1:00~~ pm-123

~~2:00~~ pm 216

[8:00-9:00am EST]

US-EU SUMMIT PRESS CONFERENCE
DURBAR COURT
Foreign Commonwealth Office
Remarks: Vinca LeFleur
Staff Contact: Samuel Berger
Event Coordinator: Laura Graham
OPEN PRESS

PARTICIPANTS
The President Ambassador Phil Later Ambassador to EU Vernon Weaver Secretary Albright Ambassador Barshefsky Secretary Daley Mary Mel French Sylvia Mathews Paul Begala Samuel Berger Gene Sperling Sidney Blumenthal Bruce Lindsey Michael McCurry Stuart Eizenstat Nancy Hennreich Joseph Lockhart Donald Bandler Lael Brainard Anthony Wayne

- **The President, Prime Minister Blair and President Santer enter the Courtyard and proceed to their podiums.**
- **Prime Minister Blair makes a statement.**
- **The President makes a statement.**
- **President Santer makes a statement.**
- **Prime Minister Blair asks the first question.**
- **Questions and answers from the press.**
- **The President, Prime Minister Blair and President Santer depart.**

May 16, 1998 (2:42pm)

Monday, May 18, 1998

~~2:05~~ pm- *2:05*
~~2:35~~ pm *2:35*
[9:05-9:35am EST]

US-EU SUMMIT PHOTOGRAPHS
LOCARNO ROOM
Foreign Commonwealth Office
Staff Contact: Samuel Berger
Event Coordinator: Laura Graham
CLOSED PRESS

- The President, Prime Minister Blair and President Santer
pose for group photos with US-EU Business Leaders, Civil Society
Award Winners and Northern Ireland and Philadelphia Welfare to Work
Group.

~~2:40~~ pm- *2:40*
~~2:50~~ pm *3:15*

HOLD *Phone Call to PM of Pakistan w/ Tony Blair*
PRESIDENTIAL HOLD
#10 Downing Street

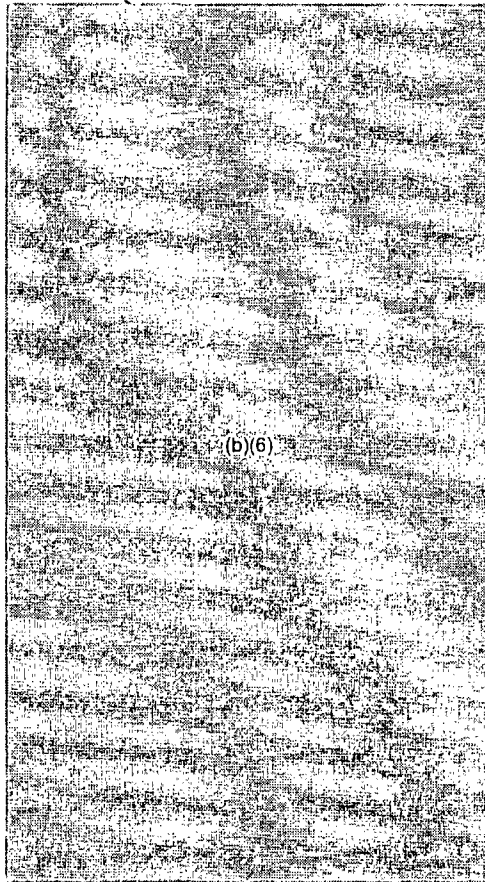
Note: This hold is necessary for press travel time.

May 16, 1998 (2:42pm)

Monday, May 18, 1998

~~2:55~~ pm **3:33**
[9:55am EST]

THE PRESIDENT departs #10 Downing Street via motorcade en route Heathrow International Airport
[drive time: 35 minutes]



3:30 pm **4:10**
[10:30am EST]

THE PRESIDENT arrives London Heathrow International Airport

Note: The First Lady will meet the President at the airport.

3:45 pm **4:24**
[10:45am EST]

THE PRESIDENT and First Lady depart London Heathrow International Airport via Air Force One en Geneva, Switzerland
[flight time: 1 hour, 20 minutes]
[time change: +1 hour]

+ 1 hr

May 16, 1998 (2:42pm)

Monday, May 18, 1998

~~6:05~~ pm 642
[12:05 pm EST]

**THE PRESIDENT and First Lady arrive Geneva, Switzerland
OPEN PRESS**

Greeters: Ambassador Madeleine M. Kunin, Switzerland
Ambassador Rita D. Hayes, WTO
Ambassador Robert T. Grey, Conference on
Disarmament
Secretary Dan Glickman
Ruth Dreifuss, Vice President of Swiss Federation
Rene Koechlin, President of the Grand Council
Gerard Ramseyer, President of the State Council
Pierre Muller, City Council of Geneva
Dominique Louis, Deputy Chief of Protocol
Jorge Vigano, Representative of WTO Director
Paul Perrin

Note: Switzerland is 6 hours ahead of Washington, DC.

STAFF NOTE:

6:35 PM

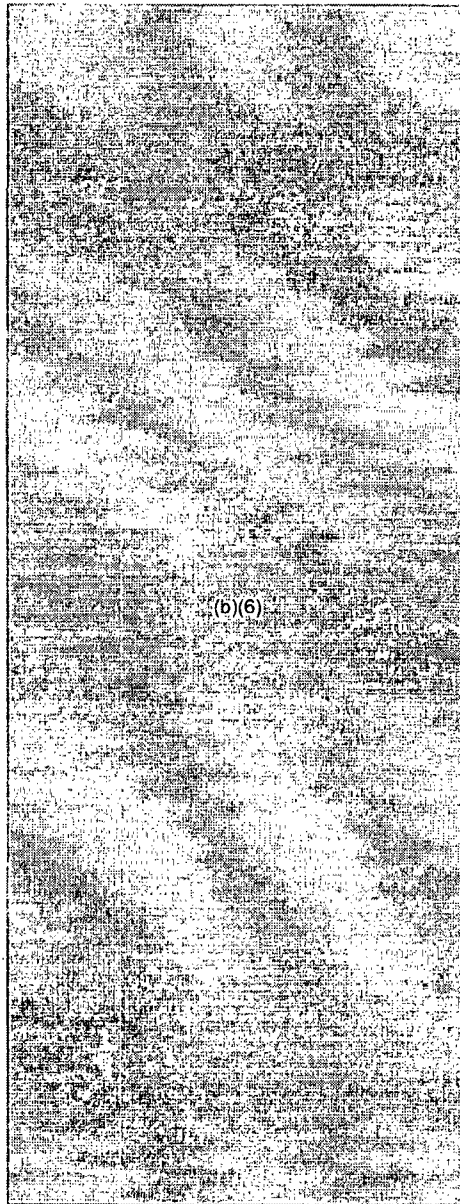
**Support Plane arrives Geneva Airport, Switzerland. Staff will
be transported to the United States Mission upon arrival.**

May 16, 1998 (2:42pm)

Monday, May 18, 1998

6:20 pm 657
[12:20am EST]

THE PRESIDENT and First Lady depart Airport via motorcade en route United States Mission
[drive time: 10 minutes]



6:30 pm 707
[12:30am EST]

THE PRESIDENT and First Lady arrive United States Mission

Greeter: Ambassador George Moose, European Office to the United Nations

May 16, 1998 (2:42pm)

Monday, May 18, 1998

~~6:35 pm~~
~~6:55 pm~~

SPEECH PREP
AMBASSADOR'S OFFICE
Staff Contact: Sylvia Mathews, Gene Sperling

C. G. Mathews

Note: This hold is necessary for press travel time.

~~7:00 pm~~
~~7:05 pm~~

BRIEFING
AMBASSADOR'S OFFICE
Staff Contact: Samuel Berger

C. G. Mathews

~~7:10 pm~~ 709
~~7:20 pm~~ 714

INFORMAL MEETING WITH VICE PRESIDENT RUTH DREIFUSS OF SWITZERLAND
FIRST FLOOR CONFERENCE ROOM
United States Mission
Staff Contact: Sandy Berger
Event Coordinator: Laura Graham
Translation: Whisper
OFFICIAL PHOTO ONLY

American Participants	
> THE PRESIDENT	
> Ambassador Kunin	
> Sandy Berger	
> Interpreter	
Swiss Participants	
Vice President Ruth Dreifuss	
Others TBD	
Interpreter	

May 16, 1998 (2:42pm)

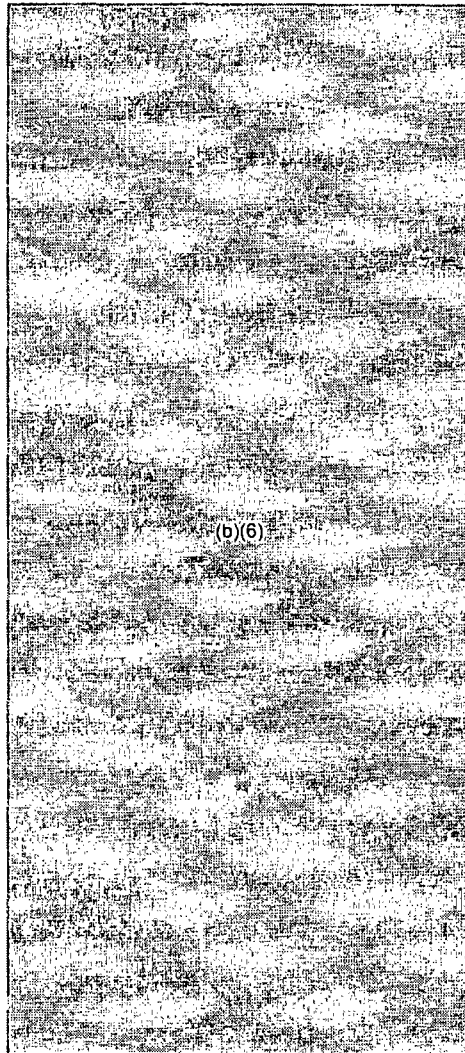
Monday, May 18, 1998

~~7:30~~

pm 7:29

**THE PRESIDENT and First Lady depart United States Mission via motorcade en route the Palais Des Nations
[drive time: 5 minutes]**

Note: Vice President Dreifuss will accompany in the motorcade.



May 16, 1998 (2:42pm)

Monday, May 18, 1998

~~7:35~~ pm 736

THE PRESIDENT and First Lady arrive the Palais Des Nations

Greeters: Director-General Ruggiero, World Trade Organization
Pascal Couchepin, Federal Chancellor and Head of the Federal Department of Economic Affairs, Government of Switzerland

~~7:40~~ pm- 744
~~8:30~~ pm 814
[1:40-2:30pm EST]

ADDRESS TO THE WORLD TRADE ORGANIZATION ON THEIR FIFTIETH ANNIVERSARY

SALLE DES ASSEMBLEES

Palais Des Nations

Remarks: Michael Waldman

Staff Contact: Samuel Berger, Gene Sperling

Event Coordinator: Laura Graham

Translation: Simultaneous (Couchepin's Remarks Only)

OPEN PRESS

Note: Approximately 1500 guests in attendance.

- Off-stage announcement of the President, Director-General Ruggiero, World Trade Organization and Pascal Couchepin.
- The President and Director-General take their seats on stage.
- Pascal Couchepin makes brief remarks and introduces the President.
- The President makes remarks.
- 814 -- Upon conclusion of remarks, the President and First Lady depart.

8:35 pm- 816
8:40 pm 820

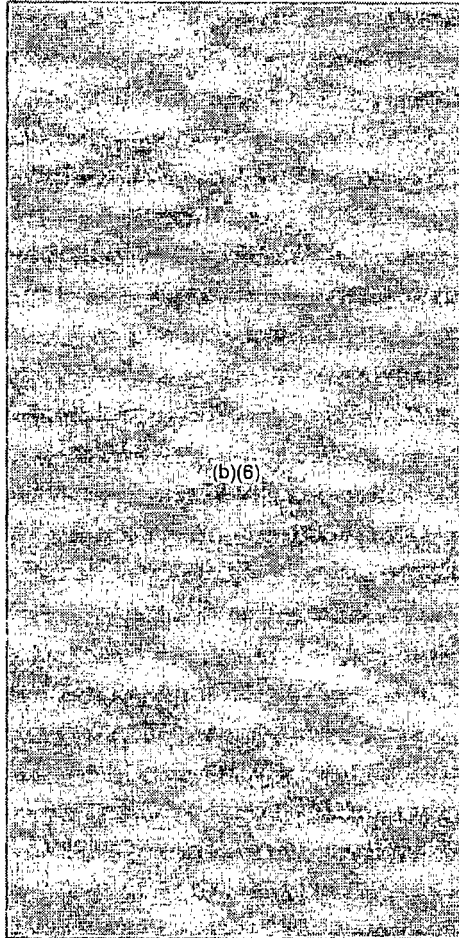
POLICE PHOTOS
HALLWAY
Palais Des Nations

May 16, 1998 (2:42pm)

Monday, May 18, 1998

8:45 pm 822

THE PRESIDENT and First Lady depart the Palais Des Nations via motorcade en route Geneva Airport
[drive time: 10 minutes]



8:55 pm 834
[2:55pm EST]

THE PRESIDENT and First Lady arrive Airport, Geneva

9:10 pm 847
[3:10pm EST]

THE PRESIDENT and the First Lady depart Airport, Geneva en route Andrews Air Force Base
[flight time: 8 hours, 15 minutes]
[time change: -6 hours]

11:25 pm EST
1140

THE PRESIDENT and the First Lady arrive Andrews Air Force Base

May 16, 1998 (2:42pm)

Monday, May 18, 1998

~~11:40~~ pm 1115

THE PRESIDENT and the First Lady depart Andrews Air Force Base via
Marine One en route The White House
[flight time: 10 minutes]

~~11:50~~ pm 1127

THE PRESIDENT and the First Lady arrive The White House

RON

THE WHITE HOUSE

May 16, 1998 (2:42pm)

**PRESS SCHEDULE OF THE PRESIDENT
MONDAY, MAY 18, 1998**

**EDITOR'S ADVISORY: FOR NEWS PLANNING ONLY
NOT FOR PUBLICATION OR RELEASE**

Intown Travel Pool

Wires: AP, Reuters, UPI

Wire Photo: AFP, AP, Reuters, UPI

TV Corr & Crew: NBC

Lights: CNN

Mag Photo: Newsweek

Radio: NPR

Print: Newsday

Inhouse Pool

All of the Intown pool plus:

Net Cuts: NBC

Mult: NBC

Independent Pool: APTV

- 10:30pm** **Intown Travel Pool Gathers, White House Briefing Room, for protective purposes**
- 11:15pm** **THE PRESIDENT** arrives Andrews AFB, Maryland via AF-1
The Operations Ramp
OPEN PRESS
- 11:30pm** **THE PRESIDENT** departs Andrews AFB, Maryland via Marine One
en route The White House
OPEN PRESS
- 11:40pm** **THE PRESIDENT** arrives the White House via Marine One
The South Lawn
OPEN PRESS

Pre-set Scenario for the South Lawn:

10:50pm - Pre-set for cables, sticks, and stills

**THERE ARE NO OTHER PUBLIC EVENTS ON THE PRESIDENT'S SCHEDULE
FOR MONDAY, MAY 18, 1998**

- 2 -

We made every effort to break that deal up at the very highest levels. The President wrote to Chirac, to Yeltsin. The Secretary of State raised this issue. The Secretary of Defense, myself, Tom Pickering, senior officials throughout the government -- with all the senior officials -- to try to encourage these three companies, or even one of the three, to back out of the deal on the ground that as ILSA indicates, giving Iran additional revenue will potentially allow it to acquire weapons of mass destruction and foment terrorism. And that was one of the purposes, although only one, as I'll describe of ILSA.

We were successful in breaking up a separate deal involving a Canadian company called Bow Valley, and an Indonesian company called Bakrie -- helped I might say significantly by the Asian financial crisis -- in a different field, when Bakrie backed out of the investment a few months ago. But Petronas, despite the Asian financial crisis in Malaysia is fairly cash rich, and they did not.

We then had to determine whether or not sanctions under ILSA would be effective. We looked very hard at that and we determined that sanctions would not deter any of the three companies from proceeding. The reason being Total, before this contract was formally announced, divested itself of almost all of its U.S. assets. Gazprom, the Russian company, after the deal was announced unilaterally canceled a \$750 million line of credit that they had with our Ex-Im Bank, which was the only lever we had. And Petronas, the Malaysian company, had no connection to the U.S. market of any consequence.

The statute allows two types of waivers. One is a so-called 4-C country waiver, which if given allows any investment from the country given the waiver to not be subject to the sanction. A second type of waiver provided by the statute is a 9-C waiver, which is a project-specific waiver and only covers the particular project in question.

We were trying to find a way to use the statute to accomplish its broader purpose. Although it is a sanction statute, it is much more than that. The basic purpose of the statute -- and it says so and admonishes the administration to try to accomplish that -- is to build a multi-lateral regime to deprive Iran of the capacity to develop weapons of mass destruction and their delivery systems which we know Iran is very much attempting to do, and to deter Iran's capacity to support terrorism.

So we began working with Russia, and separately with the European Union, on that purpose. And as a result of breakthroughs reached this week with the European Union and with Russia, we now have achieved a great strengthening of the export control regimes. Let me start first with Russia.

MORE

- 4 -

We are required to set forth a number of national interests because 9-C is called a national interest waiver. And we, to summarize, set forth the following kinds of national interests: first, the need to continue to build this multi-lateral regime and the recognition that if we had sanctioned some of the largest companies of the countries involved there would have been less desire to cooperate with us in developing further this WMD program against Iran.

Second, with respect to Russia, Yeltsin is in the midst of a Russian ratification process in the Duma for START II. And we were very concerned that any sanction might affect that negatively. We also recognize that in working with the European Union, there were a number national interest factors. We are working with them and, to some extent with the Russians as well, on issues ranging from Iraq to Kosovo and Bosnia.

We also do not believe we would have gotten the second discipline that I'm going to discuss in a minute, the Helms-Burton discipline, if we had sanctioned a European company. It seemed to us particularly inappropriate to sanction a Malaysian company, particularly one we would have no affect on, in the midst of the Asian financial crisis. And so for all of those reasons, we exercised a 9-C waiver.

With respect to the European Union, we went a step further and we indicated that if they continued to keep their high level of cooperation on controlling weapons of mass destruction and helping with terrorism, that similar projects for oil and gas production in Iran by European companies could expect to receive like treatment, with the exception of pipeline projects that transit Iran from the Caspian area. The reason being that we strongly oppose such pipeline because we think a pipeline carrying Caspian oil and gas through Iran to the West would give Iran a disproportionate influence on the development of economic and political events in the newly independent caucuses in Central American states.

With respect to Russian companies, we make no such presumption, or Malaysian companies, because they have not developed that high level of cooperation.

So the long and short of it is we at the same time have avoided a major conflict with Europe, but we've done so in ways that not only are compatible with the statute, but advance the basic purposes of the statute.

Helms-Burton was also part of this multifaceted negotiation. Permit me just to give you a very brief background on Helms-Burton. The Helms-Burton Act was passed at a time when Cuban MIGs shot down unarmed planes with American citizens. The purpose of Helms-Burton -- which is one of the most widely misunderstood acts that I've ever seen -- was simply to deter

MORE

specific way to Cuba and it applies in the following way. A country which has a pattern or practice of expropriation is treated in a special way. And even in cases where expropriations occurred prior to the effective date of these new disciplines, these disciplines can apply.

For the first time since Castro has taken power as a result of an investigation that an expert team for the European Union has done off of some 6,000 claims filed by Americans for Cuba for illegally expropriated property, the European Union has said that it appears, using a sampling of those claims, that these expropriations appear to have been in violation of international law and that these new disciplines would apply. And that if in the sampling they looked at those are similar to the others, the other 6,000 -- which will be the case because they almost all were done under Cuban Law 851, which was clearly in violation of international law -- that these disciplines will apply.

Now, what does it mean the disciplines apply? It means that if a European investor wants to invest in Cuba, in almost every instance you have to go to a commercial assistance agency to get risk insurance, to get investment insurance, to get some kind of insurance because of the risk of investing in Cuba. And the essence of this agreement is that no commercial assistance agency in Europe can allow or can give such assistance to an investor in Cuba without satisfying itself that it's not providing such assistance on illegally expropriated property.

We believe this will provide the greatest protection for property rights worldwide -- quite apart from Cuba -- ever done, and it will kill investment in the greatest way since Castro came into power with respect to expropriated U.S. property. And Castro is trying at fire-sale prices to sell that property off to foreign investors to bail out his economy. This will be a real blow for both property owners; and with the cooperation of Europe, a real blow to Castro's efforts to use illegally expropriated American property, to take advantage of it. So that is the essence of both of these. There are many more details provided in the fact sheets which myself, Assistant Secretary Larson, who was very helpful in negotiating these; Tony Wayne is here, our Deputy Assistant Secretary.

I'll be glad to take questions on both ILSA and Helms-Burton and then I would turn the mic over to my colleague, because we have a major trade initiative with the European Union which she will brief on, as well. So perhaps we could start -- if people could come up and I'll try to repeat the question that's asked.

Q Two questions. What does Congress have to do on ILSA. And the second question is, in this permanent waiver that you're granting, there's a line in there that also seems to

- 7 -

indicate that we would grant similar waivers to other companies interested in doing the same thing.

SENIOR ADMINISTRATION OFFICIAL: The question was what is Congress's role in all of this. It's important to recognize that the waiver authority that we exercise under ILSA, the 9-B project specific waiver, is provided for specifically by the statute. We do not need new legislative authority. We are exercising the authority that as given to us by Congress. No new authority is necessary.

With respect to Helms-Burton we would need an amendment to Title 4 to give us the waiver authority before these new disciplines would apply. I have consulted very closely with leading members of Congress. I can't speak for them, you'll have to ask them. But I can say even before we got further concessions from the European Union over the weekend that they were quite impressed with the application of this to Cuba. There's never been anything like this before. And our belief is that it's much more effective to have a joint effort to deter investment in Cuba than it is for us to try to act unilaterally; just as we believe it's much more effective to have a multi-lateral regime with many other countries trying to deny Iran weapons of mass destruction than it is trying individually to do so ourselves.

Q The second part of that question was on -- the waiver seems to indicate you would grant similar waivers to other companies.

SENIOR ADMINISTRATION OFFICIAL: Okay. The question was asked about the issue of similar projects. We wanted to provide an element of predictability so if the next contract was announced -- and we believe that there are others that will be announced for investment in Iran in oil and gas -- we didn't go through this same very tortuous and difficult process.

So what we have said is that similar projects to the Total-Gazprom-Petronas project for oil and gas production in Iran would get like treatment so long as there is continued cooperation of the enhanced variety we have by the European Union, with respect to these weapons of mass destruction.

We have, however, accepted from that similar treatment, or like treatment, any transit pipeline that transits through Iran -- we believe that that is so fundamentally violative of our security interests and our energy interests and those of the caucus and central Asian states that there we would look at it on a case-by-case basis under ILSA. We're not saying we would or wouldn't sanction it; we would have to look at the transaction. But we are not getting any presumption or expectation of a waiver in that situation.

MORE

- 8 -

Q Regarding Helms-Burton, the only thing the EU gets from this deal is an amendment to Title 4, there is no change with Title 3; is that correct?

SENIOR ADMINISTRATION OFFICIAL: The question was the only thing the European Union gets under Helms-Burton is an effort and amendment at Title 4. The answer is yes. You will see language in there which simply says that we'll seek soundings with respect to Congress on Title 3, but we're under no obligation to seek an amendment, only with respect to Title 4.

I, please, want to make it clear: the similar treatment or like treatment for similar projects only applies to the companies from the European Union countries, the reason being their extremely high level of cooperation on weapons of mass destruction, enhanced by this new agreement. We are not -- underscore not -- providing such expectations for future Russian deals, even though the Russians have made sufficient progress for a 9-C deal.

So what we call this -- to be sort of in our lingo -- is a 9-C-plus waiver for Europe, a 9-c waiver, meaning that there is an expectation with respect to similar projects for the European companies. There is none for Russia because they have not yet demonstrated that these new laws they put into effect for controlling proliferation will be effectively implemented and there are a number of issues still outstanding there.

Q When will you submit the request for the amendment to Congress and when would you expect action on it?

SENIOR ADMINISTRATION OFFICIAL: We are going to work on an expedited basis to draw up the amendment. We think it will be introduced shortly. We, of course, can't control the congressional calendar. But the disciplines applying to Cuba, which are very effective we think, do not go into effect until the waiver is passed.

Q First off, the waiver that you're seeking to Title 4 would not have any time restriction? It wouldn't be a six month waiver? And, secondly, you mentioned that one of your national security justifications was concern over ratification of START II. Did the Russians make any representations that they would pass START II if they got this?

SENIOR ADMINISTRATION OFFICIAL: The question is the length of time for the waiver under Title 4. Title 3, as I mentioned, allows us to waive upon a certification every six months. But that is because the President has to make a certification and to do so will promote democracy in Cuba. And as part of the agreement that I reached with Sir Leon Brittan in April of '97, the European Union has something called a common position in December of '96. And that common position says that the European Union countries will not improve or expand their

MORE

- 9 -

political or economic relations with Cuba unless there are specific improvements in human rights and democracy in Cuba.

Title 4 is different, however. Since Title 4 is tied to these disciplines, and since these disciplines would be permanent, under Title 4 we would seek a permanent waiver. Now, any time the President can indicate that they're not applying; but the effort is what we call a no-time waiver.

Now, with respect to what assurances President Yeltsin, Foreign Minister Primakov and others -- but Yeltsin yesterday, in a very strong statement to President Clinton said that he was going to make every effort to assure that this new legal regime was implemented, he was going to put his personal backing behind it, he was going to make sure that the bureaucracy understood the importance of this. And because Russia is, in fact, one of the real concerns that we have in terms of Iran's acquiring weapons of mass destruction, this is particularly important to us. But we have to monitor it very carefully. We're going to make sure that this is actually implemented. And that's why we haven't given any further expectation of Russian deal.

Q Who's going to assess the validity of the property claims?

SENIOR ADMINISTRATION OFFICIAL: With respect to an applicant, say, in Europe who submits a petition or an application to get commercial assistance to help them invest, it will be the responsibility of the commercial assistance agency in Europe to do the screening and to be the filter. We will provide information. We are going to cooperate with them so that hopefully when we get knowledge of such an application we can submit information that we have. Claimants, U.S. claimants can submit information. And they have to make a determination that the property is not illegally expropriated before they can grant the commercial assistance.

They are also under an obligation to keep us continually informed of applications.

I think that perhaps I ought to let my colleague come one.

SENIOR ADMINISTRATION OFFICIAL: The Transatlantic Economic Partnership which we launched today is a major new trade initiative. This builds on the new transatlantic agenda and it arises from discussions that Ambassador Barshefsky had with Sir Leon Brittan almost a year ago.

It is an initiative that is both broad-based in scope and pragmatic in approach. It will deepen our economic relations, reinforce our political ties and reduce trade frictions that have plagued our bilateral relationship.

MORE

- 10 -

There are three basic elements to this new initiative. First, we will reduce barriers that affect manufacturing, agriculture and services sector. In the manufacturing area we will focus on standards and technical barriers that American businesses have identified as the most significant obstacle to expanding trade.

In the agricultural area we will focus on regulatory barriers that have inhibited the expansion of agriculture trade, particularly in the biotechnology area. In the area of services we will seek to open our markets further and to create new opportunities for the number of service industries that are so active in the European market.

The second basic element of the initiative is a broader, cooperative approach, both short- and long-term. Under this element we will seek innovative ways to address a wide range of trade issues. For example, on electronic commerce we have agreed not to impose duties on electronic transmissions, as well as develop a work program in the WTO for this very significant sector.

In intellectual property we will seek to adopt common positions and effective strategies for accelerating compliance with WTO commitments. In government procurement we will seek to promote government procurement opportunities, including promoting compatibility of electronic procurement information and government contracting systems. In labor and environment areas we will seek innovative ways to promote our shared values around the world. In the competition area we will seek to enhance the compatibility of our procedures with potential significant reductions in cost for American companies.

The third significant element of this initiative is that we will, as President Clinton stated today, engage a wide spectrum of our public in this initiative and seek their input so that it can shape and inform the process.

Are there any questions? None.

END

4:30 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Geneva, Switzerland)

For Immediate Release

May 18, 1998

REMARKS BY THE PRESIDENT
AT THE COMMEMORATION OF THE 50TH ANNIVERSARY
OF THE WORLD TRADE ORGANIZATION

Palais des Nations
Geneva, Switzerland

7:48 P.M. (L)

THE PRESIDENT: Thank you very much, Director General Ruggiero, Federal Counselor Couchepin, your Excellencies, thank you for the opportunity to address you on this most important occasion.

Near the end of World War II, as leaders and ordinary citizens began to dream of a system that would prevent a return to war, President Franklin Roosevelt asked the people of the United States and the world to look ahead to peace with these words: He said, "A basic essential to permanent peace is a decent standard of living for all individual men and women and children in all nations. Freedom from fear is eternally linked with freedom from want."

It was that understanding that led a farsighted generation of postwar leaders, determined to avoid past errors of protectionism and isolationism, to embrace what was then still a revolutionary idea, that freedom -- freely-elected governments, free markets, the free flow of ideas, the free movement of people -- would be the surest route to the greatest prosperity for the largest number of people.

They were also confident that growing economic interdependence would lead to greater peace among nations. The economic alliances and institutions they created -- the IMF, the World Bank, the GATT -- built a platform for prosperity and peace that has lasted down to the present day.

In the fullness of time, events have confirmed the convictions of the founders of the international system. World trade has increased fifteenfold; average tariffs have declined by 90 percent; the trading community has grown from 23 nations to 132, with 31 more working to join. Russia and China, where the shackles of state socialism once choked off enterprise, are moving to join the thriving community of free democracies. Trade

MORE

- 2 -

is creating prosperity among the nations of the Americas and offers hope to the emerging economies of Africa and Asia.

On the edge of a new millennium, our people are creating a new economy, a very different one from that our founders faced 50 years ago. The new one is driven by technology, powered by ingenuity, rewards knowledge and teamwork, flexibility and creativity, and draws us closer across the lines that have divided us for too long.

On any given day, over 3 million people take to the air on commercial flights. Three decades ago, phone lines could only accommodate 80 calls at one time between Europe and the United States. Today, they can handle one million calls at one time. In the United States alone, economic output has tripled while the physical weight of goods produced has barely changed. The world's new wealth largely comes from the power of ideas.

This new global economy of ideas offers the possibility, but not the guarantee, of lifting billions of people into a worldwide middle class and a decent standard of living, the opportunity to give their children a better life. Yet it also contains within it, as we all know, the seeds of new disruptions, new instabilities, new inequalities, new challenges to the balance of work and family, of freedom and security, of equal opportunity and social justice, of economic growth and a sustainable environment.

The challenge of the millennial generation here gathered is, therefore, to create a world trading system, attuned both to the pace and scope of a new global economy and to the enduring values which give direction and meaning to our lives. We took the first vital step when we created the World Trade Organization in 1995, a goal that had alluded our predecessors for nearly half-century. The Uruguay Round that founded the WTO amounted to the biggest tax cut in history -- \$76 billion a year when fully implemented. Since that event, world trade has increased by 25 percent. Since 1995, we also have begun to build an infrastructure for this new economy, with historic agreements on information technology, telecommunications, and financial services, which together affect trillions of dollars in global commerce every year.

At the G-8 Summit just concluded in Birmingham, the leaders worked on ideas to strengthen the international financial architecture so that private capital markets can spur rapid growth while minimizing the risk of worldwide economic instability. Now, we must build on these achievements with a new vision of trade to construct a modern WTO for the 21st century. I would like to offer you my suggestions.

First, we must pursue an ever more open global trading system. Today let me state unequivocally that America is committed to open trade among all nations. Economic freedom and

MORE

- 3 -

open trade have brought unprecedented prosperity in the 20th century; they will widen the circle of opportunity dramatically in the 21st. One-third of the strong economic growth we have enjoyed in America these past five years was generated by trade. For every country engaged in trade, open markets dramatically widen the base of possible customers for our goods and services. We must press forward.

Redoubling our efforts to tear down barriers to trade will spur growth in all our countries, creating new businesses, better jobs, higher incomes, and advancing the free flow of ideas, information, and people that are the life blood of democracy and prosperity. At the U.S.-EU Summit in London today, we embraced this goal and committed ourselves to reducing barriers and increasing trade in a dozen important areas.

No matter how much some people might wish otherwise, globalization and the technology revolution are not policy choices, they are facts. The choice is whether we shape these forces of a new economy to benefit our people and advance our values, or retreat behind walls of protection to be left behind in the race for the future.

At a moment when, for the first time in all human history a majority of the world's people live under governments of their own choosing; when the argument over which is better -- free enterprise or state socialism -- has been won; when people on every continent seek to join the free market system, those of us who have benefitted most from this system and led it must not turn our backs. For my part, I am determined to pursue an aggressive market open strategy in every region of the world. And I will continue to work with members of our Congress, in both parties, to secure fast track negotiation authority.

Second, we must recognize that in this new economy, the way we make trade rules and conduct trade affects the lives, daily -- and the livelihoods, and the health, and the safety of ordinary families all over the world. Therefore, our efforts to make the trading system more open must themselves be made more open.

In order to build a trading system for the 21st century that honors our values and expands opportunity, we must do more to ensure that spirited economic competition among nations never becomes a race to the bottom -- in environmental protections, consumer protections, or labor standards. We should be leveling up, not leveling down. Without such a strategy, we cannot build the necessary public support for continued expansion of trade. Working people will only assume the risks of a free international market if they have the confidence that the system will work for them.

The WTO was created to lift the lives of ordinary citizens. It should listen to them. I propose the WTO for the

MORE

- 4 -

first time, provide a consultative forum where business, and labor, and environmental, and consumer groups can provide regular and continuous input to help guide further evolution of the WTO. The U.S. and the EU agreed today to provide such a forum as part of our new trade agenda. It is far more important for the WTO to follow suite. When this body convenes again, the world's trade ministers should sit down with representatives of the broader public to begin to do this.

Third, we must actually do more to harmonize our goals of increasing trade and improving the environment and working conditions. Expanded trade can and should enhance the environment. Indeed, the WTO agreement, in its preamble, explicitly adopts sustainable development as an objective of open trade, including a commitment to preserve the environment and to increase the capacity of nations to do so. Therefore, international trade rules must permit sovereign nations to exercise their rights to set protective standards for health and safety, the environment, and biodiversity. Nations have a right to pursue those protections, even when they are stronger than international norms.

I am asking that a high-level meeting be convened to bring together trade and environmental ministers to provide strong direction and new energy to the WTOs environmental efforts in the years to come -- a suggestion that has already been made by Sir Leon Brittan of the European Commission.

Likewise, the WTO and the International Labor Organization should commit to work together to make certain that open trade does lift living standards and respects the core labor standards that are essential not only to worker rights, but to human rights. I ask the two organizations' Secretariats to convene at a high level to discuss these issues.

This weekend, the G-8 leaders voiced support for the ILOs adoption of a new declaration and a meaningful follow-up mechanism on core labor standards when the ILO ministers meet next month here in Geneva. I hope you will add your support. We must work hard to ensure that the ILO is a vibrant institution. Today, I transmitted to our Senate for ratification the ILO convention aimed at eliminating discrimination in the workplace.

Because this new economy is based on ideas, information, and technology, the return on investment in education has never been higher. And the adverse consequences of being without skills has never been greater. These trends cannot be reversed. Our goal, therefore, must be to help more people benefit from the possibilities of the new economy, even as we ensure that the forces of technology and new trade patterns do not aggravate inequality or reinforce poor labor conditions.

Here I must add -- even as we do more to harmonize our goals of more trade and higher incomes for ordinary people,

MORE

- 5 -

each nation must do more to provide universal access to quality education and training. Without that, no trade rules, however wisely conceived or effected, can guarantee individual success to the people we are really trying to reach.

Fourth, we must modernize the WTO by opening its doors to the scrutiny and participation of the public. Through long trial and error, we have learned that governments work best when their operations are open to those affected by their actions. As American Supreme Court Justice Lewis Brandeis said a long time ago, "sunshine is the best of disinfectants."

The WTO should take every feasible step to bring openness and accountability to its operations. Today, when one nation challenges the practices of another, the preceeding takes place behind closed doors. I propose that all hearings by the WTO be open to the public, and all briefs by the parties be made publicly available. To achieve this, of course, would require a change in the rules of this organization. But each of us could do our part now. The United States today formally offers to open up every panel we are a party to, and I challenge every other nation to join us in making this happen.

Today, there is no mechanism for private citizens to provide input in these trade disputes. I propose further that the WTO provide the opportunity for stakeholders to convey their views, such as the ability to file amicus briefs to help inform the panels in their deliberations. Today, the public must wait weeks to read the reports of these panels. I propose that the decisions of the trade panels be made available to the pubic as soon as they are issued.

Fifth, we must have a trading system that taps the full potential of the Information Age. This revolution in information technology is the greatest force for prosperity in our lifetimes. The Internet is the fastest growing social and economic community in history, a phenomenon with unimagined revolutionary potential to empower billions around the world. It has been called the "death of distance," making it possible for people to work together across oceans as if they were working together across the hall.

When I became President, there were only 50 sites on the World Wide Web. Four years ago, there were still less than 3 million people with access to the Internet. Today, there are over 100 million people, with the number doubling every year.

Today, there are no customs duties on telephone calls, fax messages, e-mail or computer data links when they cross borders. We have spent 50 years tearing down barriers to trade in goods and services. Let us agree that when it comes to electronic commerce, we will not erect these barriers in the first place. I ask the nations of the world to join the United States in a standstill on any tariffs on electronic transmissions

MORE

- 6 -

sent across national borders. We cannot allow discriminatory barriers to stunt the development of the most promising new economic opportunity in decades.

Earlier today at the Summit of the EU, we agreed to deepen our collaboration in this area. And last week, the Japanese Prime Minister, Mr. Hashimoto, and I, agreed to move forward together with a market-oriented, private-sector-led approach to enhance privacy, protect intellectual property, and encourage the free flow of information and commerce on the Internet. I hope we can build a consensus that this is the best way to harness the remarkable potential of this new means of communication and commerce.

Sixth, a trading system for the 21st century must be comprised of governments that are open, honest, and fair in their practices. In an era of global financial markets, prosperity depends upon government practices that are based upon the rule of law rather than beaurocratic caprice, cronyism, or corruption. Investors demand it. And their loss of confidence can have sudden, swift, and severe consequences, with ripples throughout entire regional economies.

With its insistence on rules that are fair and open, the WTO plays a powerful role toward open and accountable government. But the WTO must do more. When we meet next year, all members of the WTO should agree that government purchases should be made through open and fair bidding. This single reform can open up \$3 trillion worth of business to open competition around the world. And I ask every nation to adopt the antibribery convention developed by the OECD. Both these steps would promote both investor confidence and stability.

Finally, we must develop an open global trading system that moves as fast as the global marketplace. In an era in which new products lifecycles are measured in months, and information and money move around the globe in seconds, we simply can no longer afford to take seven years to finish a trade round -- as happened during the Uruguay Round -- or to let decade pass between identifying and acting on a trade barrier we all know ought to fall.

In the meantime, new industries arise, new trading blocs take shape, and governments invent new trade barriers every day. We should explore what new type of trade negotiating round or process is best suited to the new economy. There must be a way to tear down barriers without waiting for every issue in every sector to be resolved before any issue in any sector is resolved. There must be a way to do this that is fair and balanced to nations large and small, rich and poor. Surely we can negotiate trade agreements in a way that is faster and better than the way we have followed to date.

MORE

- 7 -

For example, agriculture -- which I understand has been discussed quite a bit here -- is at the heart of our economy and many of yours. Tearing down barriers to global trade is, I believe, critical to meeting the food needs of a growing world population. Starting next year, we should aggressively begin negotiations to reduce tariffs and subsidies, and other distortions that restrict productivity and the best allocation of food. We must develop rules rooted in science to encourage the full fruits of biotechnology. And I propose that even before negotiations near conclusions, WTO members should pledge to continue making annual tariff and subsidy reductions so that there is no pause in reform.

We have to recognize that the fastest growing area of economic activity in the world is services -- the one least disciplined by WTO rules. So when services negotiations are launched, I think it is essential to engage in wide-ranging discussions to ensure openness for dynamic service sectors, such as express delivery, environmental, energy, audiovisual, and professional services.

We have to continue our strong momentum to dismantle industrial tariffs. A good place to start would be an agreement on the sectors from chemicals to environmental technologies proposed by APEC. And we must move forward in strengthening intellectual property protection.

These are my proposals for a 21st century trading system -- one that is more open and accountable; one that listens to the voices of citizens; that works to protect the environment, and lift the lives and incomes of ordinary people; one that is in sync with the Information Age; that promotes honest, effective government; and that makes better, faster decisions. In short, a trading system based on the new economy and old, enduring values. To move forward, I am inviting the trade ministers of the world to hold their next meeting in 1999 in the United States.

I ask you to think about the opportunity that has been presented to all of us -- the chance to create a new international economy in which open markets and open economies spark undreamed of innovation and prosperity; in which the skills of ordinary citizens power the prosperity of entire nations; in which the global economy honors those same values that guide families in raising their children and nations in developing good citizens; in which poor people, at last, find opportunity, dignity, and a decent life; in which increasing interdependence among nations enhances peace and security for all.

This will be the world of the 21st century if we have the wisdom and determination, the courage and the clarity of our forebears 50 years ago.

Thank you very much. (Applause.)

END

8:13 P.M. (L)

The White House
Office of the Press Secretary
(London, England)

For Immediate Release

May 18, 1998

FACT SHEET:
COOPERATION ON NONPROLIFERATION
AND COUNTERTERRORISM

The Secretary of State has determined that the investment by the firms Total (France), Gazprom (Russia) and Petronas (Malaysia) constitutes sanctionable activity under the Iran and Libya Sanctions Act (ILSA).

But considering the significant, enhanced multilateral cooperation the United States has achieved with the European Union and Russia in accomplishing ILSA's primary objective--inhibiting Iran's ability to develop weapons of mass destruction and support for terrorist activity--Secretary Albright has determined that it is important to the national interest of the United States to waive the imposition of sanctions on the three firms.

The enhanced cooperation between the United States, European Union and Russia to counter the common threats of proliferation and terrorism are significant achievements in advancing President Clinton's strategy of combating the challenges to global security and prosperity in the 21st century.

The new procedures include:

EUROPEAN UNION

Building on the already high level of cooperation between the United States and the European Union through multilateral fora, such as the Missile Technology Control Regime (MTCR), Nuclear Suppliers Group, Zangger Committee, Australia Group, and the Wassenaar arrangement, today's joint statement will significantly increase cooperation, to include:

- An EU commitment to give high priority to proliferation concerns regarding Iran;
- A clear public undertaking to prevent dual use technology transfers where there is a risk of diversion to WMD purposes;

- Strengthen information sharing on non-proliferation issues and threats with the United States;
- Agreement to pursue development of new and better controls on "intangible" technology transfers (e.g., via electronic transmission);
- Closer coordination of export control assistance to third countries;
- Closer coordination of diplomatic efforts to stem technology exports by other countries to proliferators, including Iran;
- Agreement to work together and with others to ensure ratification of all eleven counterterrorism conventions. The EU will give particular attention to obtaining adherence by Central and Eastern European states that are seeking EU membership.

RUSSIA

On January 22, Russia issued an Executive Order strengthening its export control system, giving the Russian Government broad authority to stop transfers of goods and services to foreign missile programs or programs for weapons of mass destruction. Last week, Russia published guidelines implementing the January executive order and establishing a catch-all export control system. Although much remains to be done and we will continue to work with the Russian authorities, President Yeltsin's public statements on May 4 and May 12 were important declarations of Russia's commitment to strictly control sensitive technologies. The new Russian proliferation system will:

- Establish supervisory bodies in all enterprises dealing with missile or nuclear technologies, to ensure compliance with relevant regulations;
- Set procedures for exporting enterprises to ensure proper controls, and outlines "red flags" which indicate that a proposed purchaser is not legitimate;
- Give the Russian Space Agency responsibility for oversight of the space rocket industry;

- Establish a range of measures for licensing military exports.

MALAYSIA

Malaysia has not been a source of nonproliferation concerns for the United States but at the upcoming session of the US-ASEAN Dialogue, the issue of establishing export control procedures for ASEAN members will be addressed.

ADDENDUM TO POOL REPORT #28

McCurry told the pool in London: "Prime Minister Tony Blair and President Bill Clinton just completed a one-half hour telephone conversation with President Nawaz Sharif of Pakistan. It was a good conversation in which the President and the Prime Minister set out the case for not testing a nuclear device. They said that a decision not to test would be strongly supported by the international community. Sharif made no commitments. He did explain the difficult situation he faces as he wrestles with the issue."

Q: Did he indicate whether any kind of decision has been made?

McCurry: "He gave no commitments, and I think it would be better for the government of Pakistan to address that question."

Q: Did Clinton or Blair convey anything to Sharif about India's new willingness to sign on to the NPT?

McCurry: I would suggest maybe to the contrary. They described the isolation that India faces in the international community as a result of having launched this test, and suggested that Pakistan might emerge stronger and with an even better security standing if it elected to go the no-testing route."

McCurry added: "There was a good exchange with the Prime Minister and the Prime Minister gave his assessment of some of the relevant issues but I'm very reluctant to explain his decision making."

Q: Did he ask for further actions to show India's isolation?

McCurry: "He was aware of the strong statements that have been made. I think he, he did not express some of the concerns that have come from other quarters about some of the comments in the international community and actually indicated that he was aware of the very swift condemnation that had been made of India and other governments."

Ken Walsh
U.S. News & World Report

THE WHITE HOUSE

**Office of the Press Secretary
(Geneva, Switzerland)**

For Immediate Release

May 18, 1998

STATEMENT BY THE PRESIDENT

I am pleased that the Treasury Department and the United States Customs Service have joined today with the Justice Department to take a significant step to protect our nation and its children from drugs. The indictments today send a clear message that those who help finance drug operations, who launder drug money, who make it possible for drug dealers to earn their illegal profits, will not escape the long arm of our nation's law enforcement. We still have much to do, but let no one doubt that we will press this fight relentlessly against the drug cartels and all their partners in crime.

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THE WHITE HOUSE
OFFICE OF THE PRESS SECRETARY
(Aboard Air Force One)

For Immediate Release

May 18, 1998

REMARKS BY MIKE MCCURRY TO THE POOL

London, England

2:23 P.M. (L)

MR. MCCURRY: Prime Minister Tony Blair and President Bill Clinton just completed a one half-hour telephone conversation with Prime Minister Nawaz Sharif of Pakistan. It was a good conversation in which the President and the Prime Minister set out the case for not testing a nuclear device. They said that a decision not to test would be strongly supported by the international community. Sharif made no commitments. He did explain the difficult situation he faces as he wrestles with the issue.

Q Did he indicate whether any kind of decision had been made?

MR. MCCURRY: He gave no commitments, and I think it would be better for the government of Pakistan to address that question.

Q "Wrestles with that issue" makes it sound as if it's active as opposed to passive.

MR. MCCURRY: I think it would be better for their government to talk about their decision making.

Q Did the President or Blair convey anything to Sharif about India's new willingness to sign on to the NPT?

MR. MCCURRY: I would suggest maybe to the contrary. They described the isolation that India faces in the international community as a result of having launched this test, and suggested that Pakistan might emerge stronger and with an even better security standing if it elected to go the no-testing route.

Q Was it all one way, Mike? Did Blair and Clinton make their case and then there was no --

MR. MCCURRY: There was a good exchange with the Prime Minister, and the Prime Minister gave his assessment of some of the relevant issues. But I'm very reluctant to explain his decision making.

MORE

Q Any timetable by them for a decision?

MR. MCCURRY: I'm going to decline to get into any specifics beyond --

Q Did he outline some sort of timetable?

MR. MCCURRY: I'm going to decline to get into any specifics about that.

Q Did he ask for further actions to show India's isolation, as he has done in the past publicly.

MR. MCCURRY: He was aware of the strong statements that have been made. I think he -- he did not express some of the concerns that have come from other quarters about some of the comments in the international community, and actually indicated that he was aware of the very swift condemnation that had been made of India and other governments.

Q Where does this leave -- you know, the remarks by the foreign minister saying the Cabinet had already decided to go ahead?

MR. MCCURRY: I can't interpret those for you.

Q He wasn't asked about that?

MR. MCCURRY: Okay, that's all I'm going to say on this.

END

2:28 P.M. (L)

Embargoed until delivery

As Prepared for Delivery

**PRESIDENT WILLIAM J. CLINTON
ADDRESS TO THE WORLD TRADE ORGANIZATION
GENEVA, SWITZERLAND
May 18, 1998**

Near the end of World War II, as leaders and ordinary citizens began to dream of a system that would prevent a return to war, President Franklin Roosevelt asked the people of the United States, and the world, to look ahead to peace. He said that "a basic essential to permanent peace is a decent standard of living for all individual men and women and children in all nations. 'Freedom from fear' is eternally linked with 'freedom from want.'"

And so, at midcentury, a farsighted generation of leaders acted on the bitter lessons of protectionism, devastating depression and war. They embraced the revolutionary idea that freedom – free democracies, free markets, the free flow of ideas, the free movement of people – would be the surest route to the greatest prosperity for all. They were confident that growing economic interdependence would lead to greater peace among nations. And the economic alliances and institutions they created – the IMF, the World Bank, the GATT – built a platform for prosperity that has lasted to this day.

In the fullness of time, they have been proven spectacularly right. World trade has increased fifteenfold. A trading community that began with 23 member nations now embraces 132 economies, and 31 more are working to join. Russia and China, where the shackles of state socialism once choked off enterprise, are moving to join the thriving community of free economies. Trade is creating prosperity among the nations of the Americas and offers hope to emerging economies in Africa.

Now, on the edge of a new millennium, we are creating a new economy: driven by technology, powered by ingenuity, drawing us closer. On any given day, over 3 million people take to the air on commercial flights. Three decades ago, phone lines could only accommodate 80 calls at one time between Europe and the United States; today they can handle 1 million. In the United States, economic output has tripled, while the physical weight of the goods produced has barely changed. The world's new wealth largely comes from the power of ideas.

This dynamic, idea-based new global economy offers the possibility of lifting billions of people into a worldwide middle class. Yet it also contains within it the seeds of new disruptions, new instabilities, new inequalities, new threats to the global economy. The challenge of the millennial generation therefore is to create a world trading system attuned to the pace and scope of the new global economy, one that offers opportunity for all our people, and one that meets the profound environmental challenges we share.

We took the first, vital step when we created the World Trade Organization in 1995 -- a goal that had eluded our predecessors for nearly half a century. The Uruguay Round that founded the WTO amounted to the biggest tax cut in world history -- \$76 billion a year when fully implemented. And in just four years, world trade is up 25%.

Since 1995, we have begun to build the infrastructure for the new economy, with historic agreements on Information Technology, telecommunications, and financial services affecting trillions in global commerce each year.

At the G-8 Summit just concluded in Birmingham, the leaders worked on ideas to strengthen the international financial architecture so that private capital markets can spur rapid growth while minimizing the risk of worldwide economic instability.

Now, we must build on these achievements with a new vision of trade, to build a modern WTO ready for the 21st Century.

First, we must pursue an ever-more-open global trading system.

Today, let me state unequivocally that America is committed to open trade among all nations. Economic freedom and open trade have brought unprecedented prosperity in the 20th Century -- they will widen the circle of opportunity in the 21st Century. In my own country, one-third of the strong economic growth we have enjoyed these past five years was generated by exports. For every country engaged in trade, open markets dramatically widen the base of possible customers for our goods and services. We must press forward. Redoubling our efforts to tear down barriers to trade will spur growth in all our countries. It will create good jobs and boost incomes. It will bring new opportunities for our people. And it will advance the free flow of ideas, information and people that are the lifeblood of democracy and prosperity.

Globalization is not a policy choice -- it is a fact. But all of us face a choice. We can work to shape these powerful forces of change to the benefit of our people. Or we can retreat behind walls of protection -- and get left behind in the global economy. At a moment when, for the first time in human history, a majority of the world's people live under governments of their own choosing... when the argument over which is better -- free enterprise or state socialism -- has been won... when people on every continent seek to join the free market system, those of us who have benefited from that system and led it cannot turn our backs. For my part, I am determined to pursue an aggressive market opening strategy in every region of the world. And I will continue to work with members of both parties in the Congress of the United States to secure fast track negotiating authority.

Second, we must recognize that in the new economy, the way we conduct trade affects the lives and livelihoods, the health and the safety of families around the world.

We must build a trading system for the 21st Century that honors our values as it expands opportunity. We must do more to make sure that this new economy lifts living standards around the world, and that spirited economic competition among nations never becomes a race to the bottom in environmental protections, consumer protections and labor standards. We should level up, not level down. Without such a strategy, we cannot build the necessary public support for the global economy. Working people will only assume the risks of a free international market if they have the confidence that this system will work for them.

The WTO was created to lift the lives of ordinary citizens; it should listen to them. I propose the WTO, for the first time, provide a forum where business, labor, environmental and consumer groups can speak out and help guide the further evolution of the WTO. When this body convenes again, I believe that the world's trade ministers should sit down with representatives of the broad public to begin this discussion.

Third, we must do more to harmonize our goal of increasing trade with our goal of improving the environment and working conditions.

Enhanced trade can and should enhance -- not undercut -- the protection of the environment. Indeed, the WTO agreement in its preamble explicitly adopts sustainable development as an objective of open trade, including a commitment to preserve the environment and to increase the capacity of doing so. Therefore, international trade rules must permit sovereign nations to exercise their right to set protective standards for health, safety and the environment and biodiversity. Nations have a right to pursue those protections -- even when they are stronger than international norms. I am asking that a high-level meeting be convened, to bring together trade and environmental ministers, to provide strong direction and new energy to the WTO's environmental efforts in the years to come, as has been suggested by the European Commission.

Likewise, the WTO and the International Labor Organization should commit to work together, to make certain that open trade lifts living conditions, and respects the core labor standards that are essential not only to workers rights, but to human rights everywhere. I ask the two organizations' secretariats to convene at a high level to discuss these issues. This weekend, G-8 leaders voiced support for the ILO's adoption of a new declaration and a meaningful follow-up mechanism on core labor standards when the ILO ministers meet next month in Geneva. I hope you will add your support. We must work hard to ensure the ILO is a vibrant institution. Today, I transmitted to the Senate for ratification the ILO Convention aimed at eliminating discrimination in the workplace.

Each of us, in our own nations, must do everything we can to give all our people the education and training to make the most of their lives. Because the new economy is based on ideas, information and technology, the return to education has never been higher and the lost opportunity from being without skills has never been greater. These trends cannot be reversed. Our goal must be to help more people benefit from the possibilities of the new economy even as we ensure that the forces of technology and new trade patterns do not aggravate inequality or

reinforce poor labor conditions.

Fourth, we must modernize the WTO by opening its doors to the scrutiny and participation of the public.

We have learned, through long trial and error, that governments work best when their operations are open to those who are affected by their actions – that, as American Supreme Court Justice Louis Brandeis famously said, “sunshine is the best of disinfectants.”

The WTO should take every feasible step to bring openness and accountability to its operations.

Today, when one nation challenges the trade practices of another, the proceeding takes place behind closed doors. I propose that all hearings by the WTO be open to the public, and all briefs by the parties be made publicly available. To achieve this end, we must change the rules of this organization. But each of us can do our part – now. The United States today formally offers to open up every panel that we are a party to – and I challenge every other nation to join us in making this happen.

Today, there is no mechanism for private citizens to provide input in these trade disputes. I propose that the WTO provide the opportunity for stakeholders to convey their views, such as the ability to file ‘amicus briefs,’ to help inform the panels in their deliberations.

Today, the public must wait weeks to read the reports of these panels. I propose that the decisions of these trade panels be made available to the public as soon as they are issued.

Fifth, we must have a trading system that taps the full potential of the Information Age.

The information technology revolution is the greatest force for prosperity in our lifetimes. The Internet is the fastest growing social and economic community in history – a phenomenon with unimagined, revolutionary potential to empower billions of people around the world. It has been called the ‘death of distance,’ making it possible for people to work together across oceans as if they were working down the hall. Four years ago, there were less than three million people with access to the Internet. Today, there are over 100 million people, and the number is doubling every year.

Today, there are no customs duties on telephone calls, fax messages, e-mail, or computer data links when they cross the border. We have spent fifty years tearing down barriers to trade in goods and services. Now, let’s agree that when it comes to electronic commerce, we will never erect these barriers in the first place.

I ask the nations of the world to join the United States in a standstill on any tariffs to electronic transmissions sent across borders. We cannot allow discriminatory barriers to stunt the development of the most promising new economic opportunity in decades. Earlier today, at the

Summit with the EU, we agreed to deepen our collaboration in this area. And last week, Prime Minister Hashimoto and I agreed to move forward together, with a market-oriented, private-sector-led approach to enhance privacy, protect intellectual property, and encourage the free flow of information and commerce on the Internet. I hope we can build a consensus that this is the best way to harness the remarkable potential of this new means of communication.

Sixth, a trading system for the 21st Century must be comprised of governments that are open, honest, and fair in their practices.

In an era of global financial markets, prosperity depends upon government practices that are based on the rule of law instead of bureaucratic caprice, cronyism, or corruption. Investors demand it, and their loss of confidence can have sudden, swift and severe effects, with ripples throughout regional economies.

With its insistence on rules that are fair and open, the WTO plays a powerful role toward open and accountable government -- but the WTO has not done enough. By next year, all members of the WTO should agree that government purchases should be made through open and fair bidding. This single reform could open up \$3 trillion of business to competition around the world. And I ask every nation in the world to adopt the anti-bribery convention developed by the OECD. Both these steps would promote investor confidence and stability.

Finally, we must develop an open global trading system that moves as fast as the marketplace.

In an era in which product life-cycles are measured in months, and information and money move around the globe in seconds, we can no longer afford to take seven years to finish a trade round, as happened during the Uruguay Round, or let decades pass between identifying and acting on a trade barrier. In the meantime, new industries arise, new trading blocs take shape, and governments invent new trade barriers every day.

We should explore what new type of trade negotiating round is best suited to the new economy. We should explore whether there is a way to tear down barriers without waiting for every issue in every sector to be resolved before any issue in any sector is resolved. We should do this in a way that is fair and balanced, that takes into account the needs of nations large and small, rich and poor. But I am confident we can go about the task of negotiating trade agreements in a way that is faster and better than today.

Agriculture, for example, is at the heart of America's economy and many of yours -- and tearing down barriers to global trade is critical to meet the food needs of a growing world population. Starting next year, we should aggressively begin negotiations to reduce tariffs, subsidies, and other distortions that restrict productivity in agriculture. We must develop rules, rooted in science that will encourage the full fruits of biotechnology. And I propose that even before negotiations near conclusion, WTO members should pledge to continue making annual tariff and

subsidy reductions -- ensuring that there is no pause in reform.

We must recognize that the fastest growing industry in the world is services -- and the one least disciplined by WTO rules. So when services negotiations are launched, I believe it is essential that we engage in wide-ranging discussions to ensure openness for dynamic service sectors, such as express delivery, environmental, energy, audio-visual, and professional services.

We must continue our strong momentum to further dismantle industrial tariffs. A good place to start would be an agreement on the sectors -- from chemicals to environmental technology -- proposed by APEC. And we must move forward on strengthening intellectual property protection.

A trading system that honors our values. A WTO that is open and accountable. A trading system in sync with the Information Age. A commitment to combating corruption. A new approach to trade talks. To move forward with this agenda -- I am inviting the trade ministers of the world to hold their next meeting in the United States in 1999.

Think about the opportunity that has been presented to us; the chance to create a new international economy . . . in which open markets and open economies spark undreamed of innovation and prosperity... in which the skills of ordinary citizens power the prosperity of nations . . . in which the global economy honors those same values that guide families in raising children and nations in developing good citizens . . . in which poor people find opportunity, dignity and a decent life and contribute to prosperity . . . in which increasing interdependence among nations enhances peace and security for all. This will be the world of the 21st Century -- if we have the wisdom and determination, the courage and clarity, of our forbears a half century ago.

STATEMENT OF EU/US SHARED OBJECTIVES AND CLOSE COOPERATION ON COUNTER-TERRORISM

1. The United States, the European Union and its member states are strategic allies in the global fight against terrorism - a grave threat to democracy, and to economic and social development. They oppose terrorism in all its forms, whatever the motivation of its perpetrators, oppose concessions to terrorists, and agree on the need to resist extortion threats. They condemn absolutely not only those who plan or commit terrorist acts, but also any who support, finance or harbour terrorists. They recognise that terrorism operates on a transnational scale, and cannot effectively be dealt with solely by isolated action using each individual state's own resources. They work together to promote greater international cooperation and coordinated effort to combat terrorism by all legal means and in all relevant bilateral and multilateral fora - from the Transatlantic Dialogue to the United Nations.

The International Legal Framework

2. Extradition and mutual legal assistance arrangements are in operation or will be developed between EU partners and the United States. The EU and US cooperate in the United Nations framework to elaborate the necessary international legal instruments for the fight against terrorism. They work in tandem to promote universal adherence to the eleven international counter-terrorism conventions. EU partners contributed to the rapid and successful negotiation of the most recent UN Convention (for the Suppression of Terrorist Bombings) based on a draft proposed by the US. Now they are cooperating to consider the terms of a draft UN Convention on the Suppression of Nuclear Terrorism.

Areas of current EU/US mutual interest

3. (i) Terrorist Fund-raising: EU partners are pooling their knowledge and experience to work to cut off terrorists' sources of funding. They have agreed a set of action points, and their operational agencies are working on joint initiatives against terrorist funding. The US participated in an EU seminar in 1997 which shaped this work, is briefed regularly on current developments in this key area, and will take part in a follow-up EU seminar in Vienna in October 1998.

(ii) Chemical/Biological Terrorism and other threats: During the UK Presidency the EU and US have shared their thinking and compared best practice in the areas of CB terrorism, Terrorist arms trafficking and Bomb scene management.

(iii) The Middle East Peace Process: The EU briefs the US regularly on its current 3-year programme of counter-terrorism cooperation to enhance the effectiveness of the Palestinian Authority in this key area, including an extensive programme of human rights training. To strengthen EU/Palestinian links still further in the fight against terrorism, a declaration creating a joint Security Committee was agreed in April 1998. The Committee now meets regularly to discuss security issues.

EU/US Consultation and Information Exchange

4. Policy cooperation is developed bilaterally and at EU/US

level. Operational cooperation, including intelligence-sharing, is handled bilaterally by national law enforcement agencies, and is given high priority. To identify and assess the scale of the terrorist threat, the EU member states and the US exchange information and assessments on terrorist trends and latest developments. The regular meetings on counter-terrorism between the US and the EU Troika of the Second and Third Pillars are used to exchange views on all aspects of terrorism policy, including trends in countries of particular current concern in the Middle East and elsewhere. Information is also shared on significant developments on either side of the Atlantic, eg the creation of Europol, which will include terrorism within its remit soon after its launch. The US has updated EU partners on the impact of its decision last October to designate 30 foreign terrorist organisations.

Further Cooperation

5. While recognising the wide range of work successfully accomplished hitherto, both sides see scope to strengthen further their close ties in the field of counter-terrorism, and are working to do so - by additional information-sharing at their regular Troika meetings, enhanced bilateral intelligence exchanges, and sustained cooperation at the United Nations and in other fora to advance their common objectives.

Pool Report #28
May 18, 1998

McCurry on Air Force One into Geneva

McCurry told the pool that Castro is expected to attend the President's address in Geneva. "The President hopes that Castro listen carefully to his remarks about free markets, free trade and democracy," McCurry said. McCurry added that "no private meeting" is planned between Clinton and Castro.

The pool drove past a Cuban airliner parked adjacent to Air Force One on the tarmac.

On background, a Senior White House Official said that "it is quite clear that Pakistan can test anytime it wants to."

The White House Official said that the situation in Indonesia is "very fluid," and that the question is whether Suharto "digs in and starts firing generals."

McCurry said on the tarmac that Clinton and Sharif will be in "regular touch" on the question of Pakistani nuclear tests. "Both the President and the Prime Minister want to be personally involved."

There is a transcript of McCurry remarks to the pool in London describing the Clinton-Blair 9-minute phone call to Sharif from London.

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Stewart Powell
Hearst

Clinton, Blair at Chequers

Motorcade and helo ride to Chequers were uneventful. The Chequers estate stretches as far as the eye can see with a mix of lengthy open fields and manicured lawns and a typical English garden complete with wild flowers of every color and pruned hedges shaped into a low cut maze. Walking into the gardens on the left hand side was a solarium with a small pool. Chequers is an enormous three-story brick mansion with leaded glass windows and, by your pool's count, ten chimneys some of which had three flutes.

The Blairs and the Clintons were set down in an open field in front of the house and began walking slowly up the gravel drive - the Blairs alternately holding hands and walking arm in arm, as the President swung his arm over Hillary's shoulders. The two couples talked easily as they strode up the hundred yards of drive, turned left across a large lush lawn, and wound their way through the garden to the door of the house.

The President was still in his blazer and khakis. Hillary was dressed in a bright yellow pant suit, and wore a matching headband in her hair. Mrs. Blair was in black slacks with a matching shirt and Mr. Blair was in a suit.

In the epitome of English understatement, at the end of the drive was a just small one foot by ten inch sign that read: "Private, no Admittance." We immediately got a full lid and the pool vans came to the hotel about 15 minutes away.

Dina Temple-Raston
Bloomberg News

Understanding on Conflicting Requirements

The United States and the European Union, recalling the Understanding of April 11, 1997, which stated, inter alia, that they would "work together to address and resolve through agreed principles, the issue of conflicting jurisdictions, including issues affecting investors of another party because of their investments in third countries", wish to confirm in this Understanding their intention to propose jointly in negotiation of the Multilateral Agreement on Investment the following article regarding conflicting requirements:

- (1) "In contemplating new legislation, action under existing legislation or other exercise of jurisdiction which may conflict with the legal requirements or established policies of another Contracting Party and lead to conflicting requirements being imposed on investors or their investments, the Contracting Parties concerned should:
 - (a) have regard to relevant principles of international law;
 - (b) endeavour to avoid or minimise such conflicts and the problems to which they give rise by following an approach of moderation and restraint, respecting and accommodating the interests of other Contracting Parties;
 - (c) take fully into account the sovereignty and legitimate economic law enforcement and other interests of other Contracting Parties;
 - (d) bear in mind the importance of permitting the observance of contractual obligations and the possible adverse impact of measures having a retroactive effect.
- (2) Contracting Parties should endeavour to promote coopeation as an alternative to unilateral action to avoid or minimise conflicting requirements and problems arising therefrom.
- (3) Contracting Parties should on request consult with each other in accordance with paragraph x of Article y (Consultations section of Dispute Settlement provisions) and endeavour to arrive at mutually acceptable solutions to such problems, it being understood that such consultations would be facilitated by notification at the earliest stage practicable.

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- (4) If the consultations under paragraph 3 do not result in a mutually satisfactory resolution of the claim either of the Contracting Parties can bring the matter to the attention of the Parties Group. Pursuant to Article XX (the Parties Group), the Parties Group will consider the matter in the light of the agreed principles stated in paragraph 1, with a view towards resolving the matter.
 - (5) The Parties Group may review in accordance with Article .. (Review) the implementation and assess the effectiveness of this Article."

NB: It is understood that nothing in the MAI excludes this provision from MAI dispute settlement.

THE WHITE HOUSE

Office of the Press Secretary
(London, England)

For Immediate Release

May 18, 1998

STATEMENT BY THE PRESS SECRETARY

U.S.-EU Summit

Through the New Transatlantic Agenda (NTA), created in 1995, the United States and the European Union have focused on addressing the challenges and opportunities of global integration. From fighting transnational threats of the 21st century such as counter-narcotics, weapons proliferation and the trafficking of women to removing barriers that obstruct the growth and development of our businesses and workers, the NTA has served to resolve difficult issues in the trade and political areas.

In addition to the Transatlantic Economic Partnership, the United States and European Union agreed to the following:

- **U.S.-EU Information Campaign to Combat Trafficking in Women:** Information campaigns to combat trafficking in women began in April in Ukraine (directed by the United States) and Poland (directed by the EU). The campaigns will run through June and will be followed by a U.S.-hosted wrap-up seminar in Lviv, Ukraine, in July. This is the first phase in an ongoing program to educate women and girls in Eastern Europe concerning the threat poised by traffickers.
- **Northwest Russia Nuclear Safety:** On a course for future cooperation with Russia and others to advance nuclear safety in northwest Russia - especially nuclear waste removal and storage. The initial focus will be a strategy to deal with submarine and ice-breaker spent fuel and waste. American and EU experts have already met with their Russian counterparts and agreed on an action plan for the most urgent nuclear waste problems.
- **Cooperation with Ukraine:** Cooperative efforts with Ukraine designed to promote economic and political reform and ensure the safety of nuclear reactors at Chernobyl and elsewhere. The U.S. and EU have agreed to work jointly on projects on civil society, energy reform and specific trade issues to

assist Ukraine in the transition and development to a democratic, free market system.

- **New Regional Environmental Centers (NRECs):** Expanding on our effort to coordinate and promote better environmental practices and actions both nationally and regionally, the United States and EU will build on the first NREC in Budapest, by working to open NRECs in Russia, Ukraine, Moldova, and Georgia. By the end of June, we expect to sign charters establishing all four NREC centers.
- **Democracy and Civil Society Awards:** The U.S. and EU have granted 50 awards of \$20,000 to non-governmental organizations, distinguished persons and communities throughout Central and Eastern Europe and the New Independent States for their achievements in promoting democracy, human rights, good governance and the development of civil society. These achievements range from promoting human rights to resolving conflicts peacefully, empowering women and minorities, protecting the environment and encouraging a free and robust media.

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U.S./EU STATEMENT ON CASPIAN ENERGY

The United States and the European Union recognize the importance of Caspian Basin oil and gas resources in contributing to the economic prosperity, energy security, and stability of the region.

These resources will be an important addition to world oil and gas supplies and require secure access routes to world markets.

Essential to this development will be the early availability of multiple pipelines. Major export pipelines from the Caspian will accordingly contribute to the secure delivery of an important new source of world energy supplies.

The European Union's INOGATE program is designed to promote the security of energy supplies. It includes work on: revitalization of the existing transmission network and on new oil and gas pipelines across the Caspian, Black Sea region and westwards to Europe; urgent renovation of hazardous infrastructure; strengthening regional cooperation; compliance with international standards; reform of the region's energy sectors; and protection of foreign investments. The European Union's TRACECA project supports the development of an east-west transport and trade corridor from Central Asia, across the Caspian Sea, the Caucasus, and the Black Sea, to Europe.

The United States strongly endorses commercially and environmentally sound projects to develop Caspian energy resources and their transport to international markets. U.S. technical assistance and training programs are helping many of the Caspian states improve their legal regimes to encourage private investment in energy development and transport. The United States underscores that the Caspian Pipeline Consortium project is a critical component of a commercially driven multiple pipeline system for the entire region. The United States has provided a grant to Turkmenistan to complete a feasibility study for a trans-Caspian gas pipeline.

Commercial considerations will first and foremost determine decisions on the development of energy projects and export routes. It is the private sector that will make the investments and take the risks. Projects therefore need to be economically viable and competitive. They must also meet the highest environmental standards.

The United States and the European Union welcome the progress made by the littoral states towards formulating a legal regime for the Caspian that will enhance rapid development of the region's energy resources. They express the hope that the littoral states will reach early agreement.

The White House
Office of the Press Secretary
(London, England)

For Immediate Release

May 18, 1998

Fact Sheet

BUILDING A STRONGER WORLD COMMUNITY:
THE TRANSATLANTIC ECONOMIC PARTNERSHIP

President Clinton, Prime Minister Blair, and EC President Santer today launched the new "Transatlantic Economic Partnership" to strengthen the already close relationship between the United States and European Union through a new comprehensive trade initiative. The new initiative hopes to build on the two-way trade in goods and services which exceeded \$600 billion in 1997 and the combined investment in each other's economies of over \$700 billion.

The "Transatlantic Economic Partnership" outlines a three pronged market-opening approach:

1. Achieving near-term market access gains for goods, services and agricultural products;
2. Promotion of multilateral and bilateral trade liberalisation through the World Trade Organization (WTO) and other international institutions for the reduction or elimination of barriers that hinder the flow of goods, services, and capital;
3. The expansion and deepening of the transatlantic dialogue between representatives of non-governmental, parliamentary, and governmental organizations on trade and investment issues.

The new initiative covers more than a dozen areas where the US and EU will negotiate the reduction and elimination of existing trade barriers, or improve regulatory cooperation in areas such as services, industrial tariffs, agriculture, global electronic commerce, intellectual property rights (IPR), investment, government procurement, and business facilitation. The initiative will also improve the efficiency and effectiveness of regulatory procedures with regard to food safety and the approval of biotechnology products.

With the goal of achieving substantial results by the year 2000, this new U.S.-E.U. trade initiative will specifically cover the following areas:

- **Agriculture - Improving Scientific and Regulatory Cooperation.** The United States and the European Union have agreed to improve our scientific and regulatory cooperation and address

specific issues in areas such as biotechnology, food safety, and other sectors that effect human and animal health. These important steps will reduce trade frictions in our \$15 billion two-way agricultural trade.

- **Reducing Regulatory Barriers.** The business community has identified these barriers as the most significant obstacle to the expansion of trade. That is why the United States and the European Union have agreed to eliminate or substantially lower barriers to trade by providing more effective and efficient coordination of standards and regulations, without reducing our commitment to high levels of health, safety, and environmental protection.
- **Services - Reducing Red-Tape To Lower Costs for Consumers.** The United States and the European Union agreed to further open our vast services markets - which encompass such areas as telecommunications, insurance, travel, and tourism, and distribution. This initiative will reduce red-tape, accelerate the movement of goods and services, and therefore, translate into lower costs for consumers.
- **Global Electronic Commerce - Working To Keep E-Commerce Duty-Free.** In an area expected to grow to \$300 billion in the next three years, the United States and the European Union agreed to develop a work program in the WTO, and to a standstill commitment that ensures electronic transmissions will remain duty-free.
- **Labor Standards - Advancing Core Labor Standards.** The United States and the European Union agreed to advance core labor standards on an international basis, and to support an agreement on an ILO declaration and implementation mechanism.
- **Environment - Developing Common Approaches to Trade-Related Environmental Areas.** The United States and the European Union agreed to develop common approaches in trade-related environmental areas. This could include a commitment to high levels of environmental protection and identifying other trade partners where joint efforts can result in improved environmental protection.
- **Intellectual Property Rights (IPR) - Protecting IPR in the US, EU, and Around The World.** Recognizing the central role of IPR as a basis for economic, scientific, and artistic creativity, the United States and the European Union agreed to work together on improving IPR protections in America, the EU, and in other countries.

- **Public-Private Participation - Helping Shape the Transatlantic Economic Partnership.** The United States and the European Union agreed to open up the transatlantic economic partnership to include interests such as business, labor, consumers, environment, and other NGOs, to help shape the agenda. We recognize the important contributions of the Transatlantic Business Dialogue and urge it to continue its active participation, so that we establish a model for the world trading system that is accessible and open.

U.S. DEPARTMENT OF STATE
Office of the Spokesman

London, United Kingdom

Text as Prepared for Delivery

Statement by the Secretary of State
Iran and Libya Sanctions Act (ILSA): Decision in the South Pars Case

London, United Kingdom
May 18, 1998

I have determined that the investment by the firms Total (France), Gazprom (Russia), and Petronas (Malaysia) in the development of Iran's South Pars gas field constitutes activity covered by the Iran and Libya Sanctions Act of 1996. This determination follows an extensive review of the actions taken by the firms in this case as they relate to the provisions of the law.

At the same time, exercising the project waiver authority of Section 9(c) of the Act, I have decided that it is important to the national interest to waive the imposition of sanctions against the three firms involved. Among other factors, I considered the significant, enhanced cooperation we have achieved with the European Union and Russia in accomplishing ILSA's primary objective of inhibiting Iran's ability to develop weapons of mass destruction and support of terrorism.

Granting this waiver does not mean we support this investment; we do not. In fact, we made vigorous efforts to stop it, including representations at the highest levels of the governments involved. When it appeared that the project would nevertheless go forward, we closely studied the possible application of sanctions. We concluded that sanctions would not prevent this project from proceeding.

While unsuccessful in stopping the South Pars deal, our efforts to discourage the Indonesian firm Bakrie from proceeding with the development of the Balal oilfield contributed to Bakrie's apparent decision to withdraw, although the impact of the Asian financial crisis was also important.

My decision to grant section 9(c) waivers in this case is based on the conclusion that, taking all factors into account, it is the option that best serves U.S. interests. I also decided that it would not be appropriate to grant country-wide waivers under Section 4(c) of ILSA.

In choosing among the available options, I took into account a number of factors relating to our national interests. In the case at hand, waivers will enhance our ability to work with the Europeans, Russia, and Malaysia on a host of other bilateral and multilateral concerns. For example:

- Russian ratification of START II, cooperation on nonproliferation, and progress on internal economic reform.

-2-

- Resolution of differences over Helms-Burton, including a new discipline to deter investment in illegally expropriated property worldwide, including in Cuba, and further EU support for democratic change and human rights in Cuba, and creation of a new US-EU initiative to liberalize trade.
- Multilateral cooperation on Iraq to maintain isolation of Saddam Hussein and to bring about compliance with UNSCR obligations, including cooperation with UNSCOM/IAEA inspections.
- Progress on Kosovo and Bosnia, where cooperation of our NATO allies is essential, and on other European security issues.
- Cooperation with European and Asian partners, including Malaysia, in addressing the Asian financial crisis and the rapidly unfolding events in Indonesia. We were also concerned about the effect of sanctions on a major Malaysian company at a time when Malaysia is feeling the serious effects of the crisis.

Moreover, granting waivers will prevent retaliation against U.S. firms, which the imposition of sanctions would probably engender, and avoid possible challenges based on claims related to treaties and other international obligations. These considerations buttress the view that a waiver in this case best serves our national interest.

We remain deeply concerned about Iran's support for terrorism and efforts to acquire weapons of mass destruction. While there are indications that the Iranian government may be trying to improve its relationship with the West, we have not seen substantial change in Iranian policies of greatest concern.

ILSA has been a valuable tool in making clear to others the seriousness of our concerns about Iran's behavior. The Act encourages the Administration to develop multilateral cooperation to deter Iran from acquiring weapons of mass destruction and supporting terrorism. Through vigorous diplomatic efforts, we have made progress toward these goals. I believe that my decision in the South Pars case will promote even more progress, and will be more effective than sanctions—which will not stop the project—in achieving ILSA's objectives.

We already have a very high level of cooperation with France and our other European allies on nonproliferation issues. As reflected in the joint U.S.-EU statement announced today, the EU is taking additional steps, separately and in cooperation with us, to strengthen further their policies in this area. This includes an EU commitment to give high priority to proliferation concerns regarding Iran and a commitment to stepped-up efforts to prevent dual-use technology transfers where there is a risk of diversion to weapons of mass destruction programs.

This new commitment also involves U.S.-EU cooperation on developing better controls over "intangible" (e.g., electronic) technology transfers, on closer coordination of export-control assistance to third countries, and on increasing diplomatic efforts to stem technology exports by other countries to proliferators, including Iran.

On counterterrorism, we also enjoy a very high level of cooperation with our European partners. We have issued a joint statement with the EU that highlights the EU's commitment to cooperation and identifies specific common objectives. We are also working with EU members and other countries to ensure ratification of all eleven counter terrorism conventions. The EU will be giving particular attention to obtaining adherence by Central and Eastern European states that are seeking EU membership.

More can be done, and we will continue to work with our European allies to broaden our nonproliferation and counterterrorism cooperation even further. In light of their essential cooperation, and as long as this heightened level of cooperation is maintained, we would expect that a review of our national interests in future ILSA cases involving Iran similar to South Pars, involving exploration and production of Iranian oil and gas, would result in like decisions with regard to waivers for EU companies.

The United States remains strongly opposed to oil and gas pipelines which transit Iran and, as a policy matter, we will continue to encourage alternative routes for the transport of Caspian energy resources, such as trans-Caspian pipelines and the Baku-Ceyhan route, and the Caspian Pipeline Consortium route. We will carefully examine any proposals for trans-Iranian pipeline construction across Iran for possible implications under ILSA and take whatever action is appropriate.

Russia has announced new undertakings, including a January 22 Executive Order that strengthens the government's authority to control missile technology and other transfers of concern. As a result of a subsequent executive order issued on May 14, 1998, the Russian Government is now taking significant steps to implement the earlier order to ensure compliance, including establishing supervisory bodies in all enterprises dealing with missile or nuclear technologies. The positive start of our joint export control working group is another promising step. While the Russian Government is acting to implement fully President Yeltsin's policy, considerable work remains to be done. We will remain closely engaged with the Russian Government at all levels to ensure effective enforcement.

On May 17, G-8 countries, including key European countries, Canada, Japan and Russia made an important commitment to deny any kind of assistance to programs for weapons of mass destruction and their means of delivery. They also committed to enhance their cooperation on export controls, including the exchange of information. We have also made nonproliferation progress regarding Iran with other countries. For example, Ukraine recently agreed to forgo all nuclear cooperation with Iran, including making a commitment not to go through with the sale of turbines destined for Iran's Bushehr nuclear plant.

Malaysia has not been actively engaged with us on nonproliferation issues, nor has it been a source of nonproliferation concerns. It has acted as a force for moderation in Islamic circles. Malaysia is our partner for the upcoming session of the U.S.-ASEAN Dialogue, which will address for the first time the establishment of export control procedures. Imposing sanctions on a major Malaysian firm would have disrupted our efforts to work with Malaysia and other countries to address the Asian financial crisis.

We will review, periodically, the national interest factors applicable to ILSA cases and to our waiver policy, to determine whether adjustments are needed.

We also remain intensely concerned about the potential for terrorist actions emanating from Iran and we would expect our friends and allies to take appropriate steps in response to any Iranian involvement in terrorist activities.

We fully recognize the dangers to Israel of weapons of mass destruction from its enemies in the region, dramatized by Iraq's SCUD attacks in 1991. The Administration has worked closely with Israel to address possible missile threats and will continue to do so. Since 1988, the U.S. has jointly funded the ARROW missile defense system; provided Israel with space-based early warning notification of ballistic missile launches; and jointly funded a feasibility study of the Israeli Boost Phase Intercept Concept.

Finally, I want to emphasize that our position on Iran has not changed. Although Iran's new government has made it clear that it wants increased cultural contacts between the U.S. and Iran, it is not clear how far it is willing to go in changing those policies of greatest concern to us. We therefore will continue to press for enhanced international cooperation to counter Iran's efforts to acquire weapons of mass destruction and their delivery systems, and its support for terrorism. Today's decision is designed to strengthen that cooperation.

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U.S./EU DECLARATION ON COMMON ORIENTATION OF NON-PROLIFERATION POLICY

The International Non-Proliferation Regime

The United States and the Member States of the European Union share a strong common interest in non-proliferation of weapons of mass destruction and their delivery systems.

The United States and the European Union support universal adherence to international treaties covering weapons of mass destruction, including the Treaty on the Non-Proliferation of Nuclear Weapons, the Chemical Weapons Convention, the Biological and Toxin Weapons Convention and the Comprehensive Test Ban Treaty. They are cooperating to ensure full and effective implementation of these treaties. This includes the effective implementation of the recently-strengthened safeguards system of the International Atomic Energy Agency and verification procedures being implemented pursuant to the Chemical Weapons Convention and the Comprehensive Test Ban Treaty. They are also working toward agreement on an effective Protocol on verification for the Biological and Toxin Weapons Convention.

They are active participants in international export control regimes and arrangements:

- The Nuclear Suppliers Group.
- The Zangger Committee of countries committed to cooperation in interpretation and implementation of the export clause (Article III.2) of the Non-Proliferation Treaty.
- The Missile Technology Control Regime (MTCR).
- The Australia Group of suppliers of goods and dual-use equipment potentially relevant to chemical or biological weapons.

Among their other responsibilities, the regimes provide mechanisms for the exchange of information about programs and activities of concern in the area of weapons proliferation which they address.

Export Control Policy

While promoting international trade and opportunities, and consistent with other relevant international obligations, the United States and the European Union take as a particularly important objective the denial of assistance to programs of weapons of mass destruction and means of delivery. This includes dual-use goods and technology subject to export control. The United States and European Union Member States have adopted policies and given guidance to licensing officials to prevent any export of controlled goods when they believe they might be used in programs of weapons of mass destruction and their delivery systems. In this context, they should take into account, inter alia, evidence of an

Page 2

importer's prior association with such programs.

The European Union has adopted a comprehensive legally-binding Dual-Use Regime of export controls which contains stringent catch-all provisions covering equipment that might be used in or in connection with programs of weapons of mass destruction.

Regions of Proliferation Concern

The United States and the European Union have discussed regions of proliferation concern, including the Middle East and South Asia.

In this context, the United States and the European Union have recently noted their continuing serious concern about efforts by some countries in the Middle East and South Asia to acquire missile technology and their capability to produce weapons of mass destruction. The European Union noted that such concerns should figure into its political contacts with these countries, notably Iran.

The United States and the European Union reaffirmed their support of the work of UNSCOM in ensuring Iraq's implementation of UN Security Council Resolutions on the elimination of its weapons of mass destruction.

United States-European Union Consultations and Information Exchange

The United States and the European Union hold regular consultations on non-proliferation and will strengthen their close ties in this field.

The two sides also recognize that effective implementation of export controls will be greatly enhanced by the timely exchange of any relevant information about programs and activities of concern. To strengthen existing cooperation in this area, the two sides have agreed to:

- Additional information sharing in their regular meetings;
- Give further consideration, including the appropriate involvement of experts, of proposals to establish improved communications and data transmission relevant to non-proliferation export controls. Due consideration will be given to practical aspects of this concept.
- Enhanced bilateral information exchanges.

Political Action with Suppliers

The United States and European Union countries have engaged key suppliers. Several European leaders and Foreign Ministers have raised their concern directly with their Russian counterparts about Russian technological assistance to Iran's ballistic missile program. These concerns have been reinforced in contacts between the European Union troika and Russian counterparts. The United States and European Union welcome actions taken by Russia to strengthen its export control regime.

The United States is open to a trilateral meeting with the European Union and Russia on non-proliferation issues, but believes that careful preparation will be needed for such a meeting to be useful.

Agenda for Further Cooperation

The United States and European Union intend to continue working closely together to advance their common non-proliferation objectives. Some items on the agenda of work in the coming year are:

- Coordination of export control assistance programs to third countries. Exchanges of information about ongoing programs have already occurred.
- Cooperation to improve export control implementation.
- Consultation to ensure that intangible technology transfers do not contribute to proliferation. Ideas in this area have been advanced by both sides.
- Best practice in export control implementation, including discussion of means to strengthen verification of end-use and to prevent diversion through third countries. Controls of non-linked items (catch-all), software and technology.

THE WHITE HOUSE

Office of the Press Secretary
(Geneva, Switzerland)

For Immediate Release

May 18, 1998

PRESS CONFERENCE BY PRESIDENT BILL CLINTON,
PRIME MINISTER TONY BLAIR,
AND EUROPEAN COMMISSION PRESIDENT JACQUES SANTER

Foreign and Commonwealth Office
London, England

1:20 P.M. (L)

PRIME MINISTER BLAIR: Thanks very much, ladies and gentlemen. Do sit down. I'm sorry there isn't a text yet, but you'll be provided with one shortly.

Can I, first of all, set out what I believe that we have achieved at this summit, and then ask the President of the European Commission and, finally, the President of the United States to speak to you.

As you know, there have been for some years serious differences over the U.S.'s sanctions policy and the EU's extraterritoriality. And what we established today is at least a basis for a lasting solution to these problems. We've avoided a showdown over sanctions with which we don't agree, and we've done it in a way that at least provides the chance of a solution to the problem in the future. And the President of the United States will set out the U.S. position in a moment. So there's still more work to do, but it is a real step forward.

In addition, today we have launched a major new transatlantic trade initiative, the Transatlantic Economic Partnership, which will further add momentum to the process of developing what is already the most important bilateral trade relationship in the world. We've also agreed to work ever more closely together to promote multilateral trade liberalization.

Finally, we have welcomed the very substantial report presented to us by our senior officials on the progress achieved since our last summit towards further implementation of the 1995 new Transatlantic Trade Agreement. Some examples of this are: cooperation to prevent drug smuggling through the Caribbean; a joint decision to give awards in Central and Eastern Europe who have helped in recent years to entrench democracy and civil rights in those countries; and a joint EU-U.S. program in

MORE

- 2 -

the Ukraine and Poland to warn women of the dangers of being lured into the sex trade in Western Europe.

So there are a series of measures that we have put together and agreed, and we have made very substantial progress in both the issues of sanctions and extraterritoriality, and of course, in taking forward our trade partnership through a major new trade initiative. And I'm delighted to be able to make those announcements to you today.

Jacques, do you want to add some words?

PRESIDENT SANTER: Ladies and gentlemen, our summit today is the sixth between the European Union and the United States since the adoption of the new transatlantic agenda. These summits are becoming more and more important to the development of the transatlantic relationship. The breadth of issues we covered today and the substantial agreements we came to prove how worthwhile these meetings now are.

The 1995 new transatlantic agenda has led to much more intense cooperation across the Atlantic. It is not just a question of warm words, but complete agreements. For example, today's signature of the mutual recognition agreement offers real benefits to business and consumers on both sides of the Atlantic.

Today's summit is particularly important because we and the United States have struck a deal on the U.S. sanctions laws. This agreement, after weeks of intense negotiations with the U.S. administration, finally brings peace in this longstanding dispute.

The European Union has opposed the United States sanctions laws on investments in Iran, Libya, and Cuba not only because we believe they are illegal, but also because they are counterproductive. We in Europe have always taken very seriously the fight to curb terrorism and the spread of weapons of mass destruction. But the U.S. sanctions laws make our cooperation on these issues more, rather than less difficult.

The deal today means that European companies and businessmen can conduct their business without the threat of U.S. sanctions hanging over their heads. It's a deal that's good for European companies who now have protection from the sanctions. It's a deal that is good for the European Union which has shown that it can act together, united in important foreign policy issues. And it is good for the transatlantic relationship which can now develop further, free of this longstanding dispute.

There are obviously still some further steps that need to be taken before the deal can be completely implemented, but I am hopeful that these will be concluded as soon as possible. By getting rid of the biggest problem in our

MORE

- 3 -

relationship with the United States, the door is now open to further deepen and enhance our cooperation across the Atlantic.

Today at the summit we agreed to a substantial new initiative to deepen the trade relationship called the Transatlantic Economic Partnership. In this initiative, first we address the further removal of barriers in our bilateral trade. It also says that the United States and the European Union will work together to achieve the substantial further trade liberalization on a multilateral basis.

Today's agreement will add to the prosperity of both the United States and the European Union, and more generally, in the world. It will, thus, create better prospects for future jobs.

President Clinton, Prime Minister Tony Blair and I will be in Geneva to celebrate the 50th anniversary of the GATT, an organization which has contributed so much to the stability and prosperity of the postwar world. Our agreements this morning sends a powerful message of transatlantic support to that meeting and to the further development of multilateral liberalization.

But, of course, today's summit, as is usual on these occasions, was also an opportunity to discuss many key policy issues including Turkey, Cyprus, Kosovo, and Ukraine. On Ukraine, we agreed to call on the European Bank for Reconstruction and Development to play its part in the implementation of the memorandum of understanding on nuclear safety concluded between the G-7 and the Ukraine.

In conclusion, this summit has placed the transatlantic relationship on an even stronger footing. We can now look forward to an even deeper partnership in the future. Thank you.

PRESIDENT CLINTON: Thank you very much. I'd like to begin by thanking Prime Minister Blair for the creative and strong leadership that he has provided to the European Union and to the U.S.-EU partnership. And I thank President Santer for his years of work for European unity.

America welcomes a strong partnership with a strong and united Europe, to improve the lives, the security, the well-being of our own people and others around the world. The EU, as I'm sure all of you know, is America's largest trade and investment partner. Two-way trade supports more than 6 million jobs on both sides of the Atlantic.

Today I am very pleased that we have agreed to new steps to strengthen that economic partnership. First we will work to dismantle trade barriers, both bilateral and multilateral trade barriers, in areas such as manufacturing, services and

MORE

- 4 -

agriculture -- about a dozen in all -- while maintaining the highest standards of labor and environment.

Now, let me also say that we have agreed in this effort that we will make an effort to give all the stakeholders in our economic lives -- environmental stakeholders, labor stakeholders, other elements of civil society -- a chance to be heard in these negotiations, in these discussions. And I believe that is a new paradigm which ought to be mirrored in trade negotiations throughout the world.

Indeed, as President Santer said, when we conclude here I am going to Geneva, where I will speak about how we can work together to strengthen the world trading system on the occasion of its 50th anniversary. And I will argue that the WTO ought to embrace the kinds of things that we and the EU have agreed to do here -- to give all the stakeholders a role, and to do a better job of respecting the importance of preserving the environment and of making sure trade works for the benefit of all the people in all the countries involved.

I am also pleased that we have reached agreement today, as the Prime Minister and President Santer said, on an issue of vital importance to our own security and well-being. We share an interest in combatting terrorism and limiting the spread of weapons of mass destruction. We understand always the problems with weapons of mass destruction, but we are, I hope, all more sensitive to them in light of the recent events in South Asia.

Here in London, the EU countries have committed to enhance their cooperation with us with regard to Iran. They will step up efforts to prevent the transfer of technology that could be used to develop weapons of mass destruction. They have agreed to work toward the ratification of all 11 counterterrorism conventions. We've agreed to cooperate in the development of Caspian energy resources.

I'd also like to emphasize that Russia, too, has taken important steps to strengthen controls over the export of sensitive technology, notably, but not exclusively, to Iran; in effect, establishing Russia's first comprehensive catch-all export control system. We'll be watching and working closely with the Russians to help make sure this system works.

The actions taken by the EU and Russia advance Congress' objective in enacting the Iran-Libya Sanctions Act. It is not primarily a sanctions act. It is an act that is designed to give the incentives for all of us to work together to retard the spread of weapons of mass destruction, and to support more aggressive efforts to fight terrorism. Therefore, the waivers we have granted today are part of our overall strategy to deter Iran from acquiring weapons of mass destruction and promoting terrorism. And it is an important new stage in our partnership.

MORE

We have also forged a path-breaking common approach to deter investment in illegally expropriated property around the world, including, but not limited to Cuba. Our governments will deny all forms of commercial assistance for these transactions, including loans, grants, subsidies, fiscal advantages, guarantees, political risk insurance. This understanding furthers the goals of protecting property rights in Cuba and worldwide, advances the interests of U.S. claimants and protects U.S. investors, and does so far more effectively than the United States could have done alone.

It also furthers, as the Prime Minister said and as President Santer did, the objectives of the European Union in getting away from the unilateral sanctions regime.

We have finally agreed to work together with Russia to strengthen nuclear safety. This is also very important -- especially with regard to nuclear waste removal and storage in northwest Russia. We will act together to encourage Ukraine to embark on bold economic reform and to speed the closure of the Chernobyl reactors that threaten safety and health.

Let me finally add that today we will honor 50 exceptional individuals from Europe's new democracies for their work in helping freedom take strong root across the continent. I believe about half a dozen of them are here today. From protecting human rights in Belarus to preserving the environment in Slovakia, these dedicated men and women, like so many others, are helping to make Europe free, peaceful prosperous and united. I thank them and, again, I thank the Prime Minister for his truly outstanding leadership. Thank you very much.

Q All three of you have spoken of the economic benefits which could flow to Northern Ireland and, in some cases, you've announced specific packages. In view of the polls which clearly show that the majority of the unionist community has yet to be convinced, how conditional are those benefits on a convincing yes vote in the referendum on Friday?

PRIME MINISTER BLAIR: Well, I don't think anyone is trying to say that investment is conditional on how people vote. But what people are saying is, it's a matter of common sense -- if there's peace and stability in Northern Ireland, there is a far greater chance of attracting investment; that people from Europe, from the United States, from right around the world see Northern Ireland as an immensely exciting investment opportunity, but obviously it's far easier for them to come and invest if they've investing in the context of peace and stability.

And I know that there are still people in Northern Ireland yet to make up their minds. And in the end the decision has got to be for people in Northern Ireland. But I have answered very clearly and specifically some of the questions that

MORE

- 6 -

people have put to me. I have tried to tell people why it is so important that they recognize that the choice is not between the future that we've outlined in this agreement -- which is the only chance I've seen of a peaceful, successful future for Northern Ireland -- and the status quos that exist now.

The danger that we foresee is that the real choice is between the agreement and everything slipping back. And we want to do as much as we possibly can to avoid that, because we recognize, as your question implies, that if we can get real peace and stability there, well, the chances for people in Northern Ireland are just amazing. And we would like them to take advantage of that.

Mr. President.

PRESIDENT CLINTON: Well, I agree with that. There's no sort of quid pro quo here, it's just a fact that, for example, the Irish community in America -- both Protestant and Catholic -- which desperately wants to see an end to the Troubles will be more interested in trying to make sure that a courageous effort on behalf of peace by the people of Northern Ireland has a better chance to succeed by greater investment. I don't think there's any question about that.

I also would just say that I think that if the majority community -- in any vote to change you might argue that the majority will always be willing to change because they're in the majority; they say, well, we have what we like now. But they don't have peace now. They don't have maximum prosperity now. And if you think about the next 10 to 20 years, if I were an Irish Protestant -- which I am -- living in Northern Ireland instead of the United States, I would be thinking about my daughter's future and her children's future. And I'd say, if you look at the framework, this protects us, no matter what happens to population patterns, no matter what happens to immigration patterns, no matter what happens -- we're all going to be able to be protected and have a role in the democracy of our country, and I like that.

So I'm hoping that everyone will be thinking that way, thinking about the future, thinking about their children. And I think the risk of doing this is so much smaller than the risk of letting it blow apart, that I believe in the end a lot of the undecided voters will go in and vote their hopes instead of their fears.

PRESIDENT SANTER: I only would add that the European Commission launched several years ago, as you remember the peace program and also for the reconciliation for Northern Ireland and the surrounding counties. And I was very impressed on my last trip in Northern Ireland several weeks ago how many people are working across community levels in these schools, these programs. There are more, at this moment, more than 11,000

MORE

- 7 -

applications of this program, more than 200,000 people across the community are working in these programs and they are supporting from grass-roots levels these peace and reconciliation program.

Therefore, I think we have to support also from an economic side this peace process. It is a longstanding process but, nevertheless, I think that through our structures and programs that people are coming closer together and the cross-border community complying also to a lasting peace. And I want it also that it would happen on Friday and that we would also have the possibility to support it for the next time.

Q Mr. President, Secretary Albright and Dennis Ross are here in London after the talks in Washington with Prime Minister Netanyahu. Has the Prime Minister softened his resistance to the American proposal for Israeli troop withdrawals, pull-backs from the West Bank? What will Secretary Albright take to the meeting today when she sees Yasser Arafat? Could you give us some kind of update on these talks?

PRESIDENT CLINTON: On a few occasions in the past I have given you an answer like this and I hope you will abide my having to do so again.

The posture of the talks now is such that anything I say publicly to characterize the position taken by Mr. Netanyahu, or anybody else in the back-and-forth, would almost certainly reduce the chances of our being able to get an agreement which would move the parties to final status and reduce dramatically tensions in the region.

So I think I should reaffirm what I said earlier today. The parties are working. They have been working hard. In my judgment, they have been working in honest, earnest good faith. And we have our hopes, but I think it is important not to raise false hopes or to characterize the talks at this time. They are just in a period when anything we say publicly will increase the chances that we will fail. And if we get something we can say, believe me, I'd be the first one to the microphone, I'd be very happy. But I think it's important not to do more than that now.

Q Mr. President, we gather it's not been all work today and that you are reported to have introduced our Prime Minister to the mysteries of golf. How did he do?

PRESIDENT CLINTON: You know, there's a golf course across the street from Chequers and the first nine holes were a part of the Chequers stay until 1906. So it's at least 100 years old, the first nine holes. So this morning I got up early and the Prime Minister went with me and we walked about four-and-a-half holes of the golf course. And he says, mind you, that he has never hit a golf ball before in his life. And he asked me to

MORE

- 8 -

drive two balls off of every tee of these four holes we played, and that he would play the rest of the way in.

So I told him how to hold the club, how to stand, how to swing. And it was embarrassing how good he was. And the guy that was going around with us was a four handicap -- for those of you who play, that's nearly scratch, it's very good. And he thought, he just couldn't believe the Prime Minister was telling the truth, that he never hit the ball before. It was amazing.

All I had to do was get him off the tee and he did very well. He three-putted no greens; he two-putted every green, all four greens. And he only just missed two shots. The rest of it -- it was unbelievable. Either he is an unbelievable athlete or I have a career as a golf instructor after I leave the White House. (Laughter.) One of the two things must be true.

PRIME MINISTER BLAIR: It's true. I'm ashamed to say I haven't played golf. But I had the best teacher I could possibly have -- it's not everyone who says he's been given golfing lessons by the President of the United States of America. But we will put it down to beginner's luck -- a bit like politics. (Laughter.)

Q Mr. President, have you or will you contact the Indian or Pakistani Prime Ministers concerning the nuclear programs they're developing? What factors are you weighing in deciding whether to go ahead with your trip planned for later this year to those two countries? And did the agreement that you announced today, or understanding on sanctions that you announced today, provide any way through to resolving the dispute that you had up at the G-8 on how to properly respond to India and Pakistan's programs?

PRESIDENT CLINTON: The answer to the latter question is, no. The answer to the first two questions you asked is, I would like to talk to the Pakistani Prime Minister just to reassure him of my support for a decision not to test and my understanding of the difficulty of his position and what I think is the way out of this. I think Prime Minister Blair feels the same way.

I have made no decision about my travel plans. But keep in mind, what we need here is a way to break out of this box. What we need here is a way for both the national aspirations for security and for standing on the part of the Indians and the national aspirations for security and for standing on the part of the Pakistanis to be resolved in a way that is positive.

I mean, this is, indeed, a very sad thing because it has the prospect of spreading not just to Pakistan, but to others in a way that could reverse decades of movement away from the

MORE

nuclear precipice, in ways that clearly will not increase the security of countries, no matter how many times they say over and over and over again they only want these weapons for defensive purposes.

And so that's what we have to do. And it's too soon for quick, easy answers on that. But I can tell you that my view is, we need -- instead of saying we're not going to talk, we're not going to go here, we're not going to go there, what we really need to think of is -- Pakistan has been a good ally of ours, India has been, arguably, the most successful democracy in history in the last 50 years because they preserved the democracy in the face of absolutely overwhelming diversity and difficulty, and pressures internal and external -- and they can't get along over Kashmir, and they have some other tensions. And then their neighbors sometimes turn up the tensions a little bit.

We've got to find a way out of this. We can't have a situation where every country in the world that thinks it has a problem, either in terms of its standing or its security, believes that the way to resolve that is to put a couple of scientists in a laboratory and figure out how to conduct a nuclear explosion. We just -- that is not the right thing to do. But we have to find the right way, offer it, and work it through with these folks. And I think maybe we can.

But the answer to your question is, I'd like to talk to the Pakistani Prime Minister, not because I think I can pressure him into doing that -- I don't think for a moment I can do that -- but just because I would like to express my personal conviction about this in a way that I hope would allow them to think about it.

Q Mr. President, did you have a chance to talk about Turkey's European case, and related with that, the Cyprus question with Mr. Blair and other world leaders?

PRESIDENT CLINTON: Yes, I did. And if I had any sense I'd just stop there -- that's the answer to your question. You know what I think, what the United States believes. The United States believes that there ought to be a path for Turkey to keep moving toward closer union with Europe.

The United States supports the fact that Turkey and Greece are in NATO. The United States believes that there should be an honorable settlement to the Cyprus impasse because it is keeping Turkey and Greece, and the other Aegean issues -- keeping Turkey and Greece from being genuine allies and being genuinely available to spend their time, their energy, and their resources promoting peace and development for their own people, and being enormous stabilizing forces in their respective regions of Europe.

So, for me, this is a very important thing. To get there, I think we'll have to proceed on many fronts at once, and I think both the Turks and Greeks will have to make difficult decisions, which I believe the European Union, and I know the United States will strongly support. But I don't think we can solve one problem in isolation from the other. I think we have to move forward on all these problems -- the Cyprus, the Aegean jurisdictional disputes, the role of Turkey in Europe's future -- all of that we have to move forward on. But I think that both the Greeks and the Turks have a bigger interest in a comprehensive resolution of that, and I know the rest of us do, than it appears just from following daily events. We have got to resolve this.

PRIME MINISTER BLAIR: Can I just add to that, on behalf of the European Union, that I agree entirely with what the President has just said. And I think it's important to emphasize yet again that Europe wants a good and close relationship with Turkey. We want Turkey to feel included in the family of European nations. We have a deep concern over what has happened, and is happening, in Cyprus. And we believe it is essential that we make progress in this area.

Now, we know the difficulties that Turkey felt that it had following the Luxembourg conclusions last year, but I think we should and will redouble our efforts to give a very clear signal to Turkey about our proper and true intentions, and also to do what we can to bring hope in the conflict in Cyprus.

Q Thank you very much, Mr. President. If I could ask the Prime Minister and President Santer -- Pakistan is complaining about the lack of response to India's nuclear explosions. Specifically, at the G-8, there was no call for sanctions. Britain and the European Union are not following the lead of the United States, Canada, and Japan, and calling for sanctions. Will Britain and the European Union impose sanctions on India for its nuclear explosions?

And to you, Mr. President, beyond words to Pakistan, and beyond the possible delivery of those F-16s that Pakistan has already paid for, what specific concrete steps will you take to reassure the Pakistanis that might convince them not to go ahead with their own nuclear test?

PRIME MINISTER BLAIR: Well, in respect to the first point, I mean, as the G-8 statement made clear, obviously, individual countries have their own individual positions vis a vis sanctions. But do not underestimate two very clear points of agreement that were established in our G-8 discussions. The first is our condemnation of the Indian nuclear tests. The second is our desire to see India integrate itself unconditionally into the Comprehensive Test Ban Treaty process.

And I believe if we need to look at the way forward from here, it is not merely a question of expressing our dismay and concern -- which I did personally to the Indian Prime Minister last Friday -- it is also finding the best way forward from now. And we expressed that very clearly at the G-8. I'm sure that is the position of all of the European Union countries, as well. And I think the most persuasive argument with Pakistan is to say very clearly to them that if India believes that it enhances its standing in the world by this action, it does not. And all of us are deeply conscious of the threat and danger to the security of the world that nuclear testing poses. So that is why I think it is important to see where we go from here. And the statement of the G-8 particularly in relation to the Comprehensive Test Ban Treaty was most important and significant.

PRESIDENT SANTER: I only want to add, first, that the European Union would, at the next European Ministerial Council on the 25th of May -- so next Monday -- discuss the relations about the European Union with India on the basis of the statements we made at the G-8 meeting last weekend.

Second, speaking from the European Commission, I must say that the main program we have -- about 80 to 90 percent of our programs are humanitarian programs to India. We are focusing to the poorest people of this country. So I don't think that sanctions for these programs, the humanitarian programs, would not produce any deeper concern. But we have to reflect on our attitude and the concerted attitude to India on the next occasion -- on Monday.

PRESIDENT CLINTON: First of all, let me say, I think that it's important to point out that in addition to Japan, Canada, and the United States, the Dutch, the Swedes announced that they intend to have economic -- take economic actions, and I believe there will be other European countries as well.

And everybody who was at the G-8 said that there would be some impact on their relations with India as a result of this. So I thought it was quite a strong statement. And given the well-known positions of all the countries involved, I thought it was stronger than could have been predicted when we went in.

Now, what I would hope we could work with the Pakistanis on are specific things that would allay their security concerns, and also make it clear that there will be political and economic benefits over the long run to showing restraint here. But the Prime Minister mentioned one of the things that I think could really help us out of this conundrum, which would be if India would say, okay, now we're ready to sign the Comprehensive Test Ban Treaty. Pakistan has said in the past that if India signed, they would sign.

But, again, I say somehow we've got to put this back on track. Remember, it wasn't very long ago that Argentina and

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Brazil had nuclear programs. And they just said, we're not going to do this; we are not going to run the slightest risk that some future rift between ourselves would lead to some kind of explosion; we're not going to sink vast amounts of our national treasure into this, when we have so many poor people in our country and we need this money freed up to other things; we are going to find other ways, number one, to take care of our security and, number two, to consider ourselves and have others consider us great nations.

And I think it would be fair to say that both of them have succeeded very well. I think it would be fair to say that at least all of us who live in the Americas believe they're enormously important countries and think more of them, not less of them, because they gave up their nuclear weapons. They have vigorous militaries and they certainly feel themselves secure.

So we have to try to create that kind of condition under admittedly more difficult circumstances on the Indian subcontinent; that is, the previous tensions between India and China, the previous tensions between India and Pakistan. I understand they're different, but the fundamental fact is the same. So that's what I'm going to try to sell and whatever happens, I'm going to work every day I'm President, until I leave office in 2001, I'm going to working for this because I do not want to see us slip back away. We're on the right track here as a world; we don't want to turn back.

Q Mr. President, why is it that if you feel it's so important to secure a yes vote in Northern Ireland, you decided it would be counterproductive to visit Northern Ireland before the vote?

And, Prime Minister, are you concerned at opinion polls which suggest a slippage in the yes vote amongst the unionist community -- there is one in two Northern Ireland newspapers today which you may be aware of -- which suggest that only 25 percent of young Protestants, who've never known anything but violence, are prepared to vote yes?

PRESIDENT CLINTON: Let me answer your question first, because I think your question to the Prime Minister is the far more important one.

I decided that I shouldn't go, first of all, because I felt that I'd have just as good a chance to have my message heard if I did something like the interview the Prime Minister and I did with David Frost, that would be widely heard -- under circumstances that would not allow me to become the issue in the election for those that are opposed to this measure.

I believe -- you have to understand what I believe. I believe that the voters who actually weigh the merits and the substance and think rationally about what the alternatives are if

MORE

this fails and if it succeeds will overwhelmingly vote yes. I believe the voters who will vote no will be those who, frankly, don't trust the other side and don't feel that they can trust the other side and who, therefore, can get distracted. And I do not want to be a distraction.

The second reason I didn't want to do it is a lot of the leaders in Northern Ireland didn't think it would help. And my own experience is -- I was the governor of a state with not many more people than Northern Ireland had before I became President. And there were several times when the President of another party came into my state. At one time, I remember in 1984, President Reagan who was immensely popular in my state, campaigning for my opponent. President Reagan got 62 percent of the vote and I got 63 percent of the vote. So it had no impact.

I did not want to become the issue. But I did want my commitment to the welfare of the people of Northern Ireland in both communities to be heard. So I hope I made the right decision and I hope I was heard.

PRIME MINISTER BLAIR: To answer your question, I think there's obviously still a tremendous amount of debate going on. The fear that people have on specific issues -- I've addressed those fears, each one of them -- and those fears really revolve around this question: Is it clear that if people want to take their seats in the government of Northern Ireland, or to benefits of any of the programs or an accelerated prison release or any of the rest of it, is it clear that they will have to have given up violence for good.

The answer to that question is unequivocally yes. It's what the agreement states. And I've made it clear we will clarify that and make it clear in the legislation.

But beyond that, it is a decision that people are going to have to weigh in their own minds. And the easiest thing in politics is simply to say no. The easiest thing in politics is to sit there and say, change is something I'm afraid of and I'm therefore just going to refuse it. But I ask everyone who takes that attitude to reflect upon what the future holds if there is a "no" vote for this agreement. And all the way through this campaign I've tried to ask people and to say to them in order to understand their fears, say to them, well, what is the alternative to this agreement, because, after all, what unionism has fought for for 60, 70 years has been the principle of consent, and that principle is enshrined in terms in the agreement. In return, fairness and equal treatment for people from whatever side of the community they come from. Now, those are principles everyone can accept.

That's the agreement. That's the alternative I take to the table. I still don't know what the alternative is on the other side. And I just hope people reflect on that and really

MORE

think about it, because every generation gets its chances; this is the chance for this generation in Northern Ireland. And we've all done our best to provide it for people, but in the end it's their decision. I can't make that decision for people. I can only tell them honestly what I believe and feel.

Q Mr. President, Microsoft has said that preventing it from distributing its Windows '98 software would cripple the computer industry and slow U.S. growth. Given the breakdown of talks over the weekend, do you now see a collision between Microsoft and the Justice Department as inevitable, and do you concur with their assessment of the economic consequences?

PRESIDENT CLINTON: Well, let me say, as you know, as a general principle, I have taken the view that I should not comment on matters within the jurisdiction of the Justice Department that could be the subject of legal action. At this time, I do not think I should depart from that policy on this case, even though it obviously will have a big impact on an important sector of our economy. But I would have to say, based on what I know to date, I have confidence in the way the antitrust division in the Justice Department has handled the matter.

I say this, what I said -- I want to reserve the right at sometime in the future if I think it's appropriate to make a comment, because this is not just an open-and-shut case of one party sues somebody else. This is something that would have a significant impact on our economy. But I think that based on what I know I have confidence in the way the antitrust division has handled this, and while it's pending at this time, I think I should stick to my policy and not comment.

Q It seems like every two or three years there's another statement by European and American leaders that there's been another major breakthrough in trade relations. Do you now, all three of you, think it's time to set a clear and firm objective of a full-scale free trade agreement in goods, services, and capital across the Atlantic?

And, secondly, for Mr. President -- I think we we're struck by your repeated use of the word, "stakeholders" in your comments upon the agreement that you have reached today. Does this have something to do with your discussions about the third way that you've been holding with Mr. Blair, and is this now a key word in the process?

PRESIDENT CLINTON: Well, let me answer, first of all, the question of whether there should be a U.S.-EU comprehensive trade negotiation is one more properly directed to the EU because there is -- the United States has supported European Union and any devices, including the EMU, chosen by the leaders to achieve that union. We have also supported the broadest possible trade relationship with Europe and, as you know

MORE

and have commented on elsewhere, a similar relationship in latin America and in the Asia Pacific region.

Now, as you know, to make full disclosure, I would have to have fast track authority from the Congress to do some, but not all, of the things that we have contemplated in this agreement. I would be for an even more sweeping one, but I think, to be fair, it's more difficult, with all the other tensions and debates of unification going on in Europe, to get much further than we've gotten today, and what we have agreed to do is very considerable, indeed.

Now, the question you asked about the stakeholders, I have always believed that our country, that the United States could not succeed in the end economically and socially at home in providing opportunity for everyone who is responsible enough to work for it, and in having a community that's coming together instead of being torn apart, unless we maintained our level of engagement and involvement in the rest of the world. I have always believed we could not sustain our involvement in the rest of the world in trade and other areas unless the American people thought we were doing it in a way that was consistent with their values when it comes to basic working standards, basic living standards, and preserving the global environment.

So what we have tried to do, without prescribing the end, is to set up a process here for our negotiation which will let all those folks into the trade debate. And what I am going to argue for at the WTO is an even more sweeping example of that. But Sir Leon Brittan -- I think he's here today -- commented earlier this year that in the preamble to the WTO, it says that sustainable development should be the goal of increasing global trade, and that part of the trade agenda should be providing the means to preserve the environment and increasing the number of tools to do so.

That's just one example. Is it part of the so-called third way? I think you could say that, but it's not something that came out of our dinner conversation last night; this is something Prime Minister Blair and I have long believed ought to be done. But you can't -- we don't exist as economic animals alone, and in fact, if we don't find a way to prove that increasing trade will lead to prosperity more broadly shared in all the countries in which we deal, and will give us the tools to improve the environment, in the end, our trade policies will prove self-defeating.

PRESIDENT SANTER: For our trade relations, I can only say that since we adopted the new transatlantic agenda in December 1995, we make a huge progress, a long way together. And Secretary of State Madeleine Albright, this morning, made a list of all we have delivered since '95 -- it is very impressive list.

Now, it's coming the way how we can deepen these transatlantic partnership relations further. And that we did this morning. And I think that this is really a major result for the future. We are the biggest world partner -- the United States and Europe, and we have a balanced trade relations. And we have also a balanced foreign direct investments on both sides of the Atlantic, and, therefore, it seems to me that's very important that we strengthen and that we deepen these relations step-by-step for the future, and that we make it in a very comprehensive way.

That's not to say that we would not have sometime some difficulties -- partners always have some difficulties. I remember that also with the member states in the European Union -- that's my daily life -- I have to deal with difficulties. And even with our friends here, in the presidency, we are discussing the same problems -- as we are discussing sometimes also with the United States. So, the thing is only in what spirit we are dealing with these problems. And, therefore, I think we have to be in a partnership-like spirit and that's the real sense and the deepness, the depths of our partnership relation. And, therefore, I think this summit, the 6th summit since 1995, is very important one, and gives a new signal for a new direction.

Q With regard to Indonesia, sir, do you anticipate using U.S. forces to safeguard the lives of Americans in that country, and would the United States be prepared to give Soeharto asylum if it would help ease him from power?

PRESIDENT CLINTON: Well, with regard to the first question, I have been given no indication that it is necessary at this time. And with regard to the second, the prospect has not been presented. As you probably know, just as we were fixing to come in here, there are all kinds of new stories which may or may not be accurate about very rapidly unfolding developments in Indonesia. And I expect that all of you may want to come back to me in two or three hours -- or four hours -- for comments on things that may be clearer than they are now.

Let me just say again what I think the real issue is here. We want this country to come back together, not come apart. We want the military to continue to exercise maximum restraint so there will be minimum loss of life and injury. We want civil society to flourish there. We believe that Indonesia was headed for some tough times because there had to be some tough economic decisions taken no matter what government had been in. But the absence of a sense of political dialogue and ownership and involvement obviously has contributed to the difficulties there. And then there have been a heartbreaking loss of life of all the people who burned to death, for example.

So what we're looking for now, and what we're going to be working for is the restoration of order without violence, and the genuine opening of a political dialogue that gives all

MORE

- 17 -

parties in this country a feeling that they are a part of it. They should decide -- the Indonesian people -- who the leader of Indonesia is. And then we're going to do our best, when things settle down and human needs are taken care of and there's order, to try to get them back on the road to economic recovery. Because all of us have a big interest in the future success of a country that has done some fabulous things in the last 30 years, but it had a very bad few months here.

Thank you.

PRIME MINISTER BLAIR: Thank you very much, indeed.

PRESIDENT SANTER: Thank you.

THE PRESS: Thank you.

END

2:13 P.M. (L)

Pool Report #27
5/18/98
POTUS Remarks at 10 Downing

Your pool was ushered inside 10 Downing Street for a brief photo-op with POTUS, Tony Blair, Secretary of State Madeleine Albright and EC President Jacques Santer.

Asked if there was a breakthrough in the Middle East Peace Talks, Albright said, "I don't like to characterize these talks until after they happen."

Asked if he were optimistic, POTUS said, "Well, we're working at it. It's a good thing everybody's working."

Afterwards, your pool was quickly ushered out.

Bob Hillman
Dallas Morning News

Pool Report #26

5/18/98

Helo landing at Winfield House, motorcade to 10 Downing.

Some news tidbits:

On background a Senior Administration Official confirmed that POTUS will call for a new round of trade talks today in Geneva.

Later, McCurry said he expected an advance text of the Geneva speech, with other paper, to be released soon.

On the Middle East, McCurry said Secretary of State Madeleine Albright would be meeting with Yasir Arafat this afternoon after the U.S. - E.U. meeting. McCurry said the U.S. had been "engaged with both of the parties, helping to shape ideas, and I think the Secretary felt it would be important to build on this."

He said Albright planned to catch up with POTUS this evening in Geneva and fly home with him.

POTUS arrived with Tony Blair aboard Marine One on the expansive lawn of Winfield House, the residence of the U.S. ambassador. The house is vacant now for renovations. One sign on a construction trailer read "Asbestos Abatement Site Office." POTUS and Blair were greeted by Philip Lader, his wife Linda, and one of their daughters. Motorcade past Buckingham Palace was uneventful.

Bob Hillman
Dallas Morning News

The White House

Office of the Press Secretary
(London, England)

For Immediate Release

May 18, 1998

Fact Sheet
U.S.-EU Summit
Disciplines for Strengthening Investment Protection

The United States and the European Union have reached an Understanding that will inhibit and deter investments in illegally expropriated property. The Understanding will strengthen the protection of property rights around the world. It contains special measures to deal with countries that have "an established record of repeated expropriation in contravention of international law," of which Cuba is a notable example. The Understanding was developed as a result of negotiations following enactment of the Libertad (Helms-Burton) Act.

The arrangement, the first of its kind, establishes disciplines that will be applied to discourage a variety of "covered transactions" in expropriated property. The transactions covered include business relationships giving rise to an ownership interest or control, including purchases, management contracts and leases. In addition, some forms of portfolio investment will be covered. Existing investments generally will not be subject to the disciplines, but an existing investor's acquisition of new property rights would be covered.

Disciplines to be Applied to Specific Properties

The disciplines include denial of a wide range of government commercial assistance for such transactions, including:

- no loans;
- no grants;
- no subsidies;
- no fiscal advantages;
- no guarantees;
- no political risk insurance; and
- no equity participation.

In addition, the U.S. and the EU will deny other forms of government support, including commercial and diplomatic advocacy. Moreover, we will each publish an enumeration of expropriated properties and make public statements discouraging investment in such properties. Finally, we will make joint or coordinated diplomatic representations to the expropriating state.

Circumstances Triggering Disciplines

These disciplines will apply: (i) upon a decision of an international arbitral tribunal or court of the expropriating state; (ii) based on a conclusion that a claimant has a well founded claim and that the expropriating state refuses arbitration and offers no acceptable domestic remedy; and (iii) by a participant (i.e., the United States or the EU) that comes to the view that the property was illegally expropriated by a country with an “established record” of illegal expropriation.

Established Record of Repeated Expropriation: The Case of Cuba

Special additional provisions will apply whenever one of the participants is of the view that, in a particular country, there has been an established record of repeated expropriation in contravention of international law. For the United States, Cuba is such a country. In an annex to the Understanding, the Vice President of the European Commission notes that the Commission has examined some of the 5911 claims against Cuba certified by the U.S. Foreign Claims Settlement Commission.

In the course of this examination, the Europeans have identified a number of cases where, “having regard to the discriminatory provisions of Cuban Law 851, it appears that the expropriations were contrary to international law.” (Law 851 was one of the primary tools that the Castro regime used to expropriate U.S. property.) This is an important EU acknowledgment of the illegal nature of the expropriations policy of the Castro regime.

Under the Understanding, the EU will quickly evaluate the information provided by the United States and will make it available to its commercial assistance agencies, and to its investors who so request. The assistance agencies will take it fully into account in reviewing individual requests for commercial assistance. In order to filter out those requests related to “covered transactions” in illegally expropriated property in Cuba, EU and member state commercial assistance agencies will give proper considerations to whether there has been an illegal expropriation before taking a decision on such requests.

In addition, when an EU commercial assistance agency “comes to the view that such a property has been expropriated,” it will apply the disciplines noted above. The EU has stated in its side letter that it is “reasonable to assume” that these disciplines would be applied in the cases it has examined that were expropriated under Cuban law 851.

The EU letter also states that if these cases are typical of other expropriations by Cuba, it is reasonable to assume that review of those other expropriations would lead to similar results.

General Disciplines

The Understanding also will create new tools for those who have a claim of illegal expropriations but whose cases have not been resolved. Those claimants will be able to place information about their expropriation claims on an international Registry. When the United States or the EU considers requests for government support or commercial assistance, they will assess and take appropriate account of information on the Registry. The Registry and assessment procedure will operate as a "yellow light," permitting agencies to implement the participants' objective of not using government programs to support transactions in expropriated property and providing a mechanism for claimants to put participants on notice of their claim. The information on the Registry will also be available to potential investors who request it.

In addition, the Understanding commits the United States and EU to other important measures to fight expropriation and deter investment in expropriated property. They will:

- make exhortations, diplomatic efforts and declarations on the importance of observing the international law standard of expropriation;
- stress to their investors the undesirability of investment in illegally expropriated property;
- urge policies and programs in international financial institutions that promote a favorable investment climate by encouraging resolution of expropriation claims and discouraging covered transactions in expropriated properties; and
- encourage resolution of claims and discourage investments in expropriated property.

Nature of the Agreement

The United States and EU initially will apply the disciplines as a policy matter. They will subsequently make a joint proposal embodying the disciplines in the Multilateral Agreement on Investment, an agreement that when it enters into force will involve legal commitments.

Next Steps

Taken together, these measures will provide an effective, multifaceted, multilateral regime for supporting American claimants. The Administration intends to move aggressively to implement the arrangements. Among other things, we will establish a web site on the Internet, where information on the arrangement and its implementation will be available. We plan to host an organizational meeting in July to ensure rapid start-up once the agreement becomes operational. The EU has agreed to implement the agreement upon receipt of a waiver from the provisions of Title IV of the Libertad Act. The Administration will seek early action on legislation to authorize the President to waive the provisions of Title IV with request to countries implementing the disciplines.

Pool Report #18

President Clinton comments on Pakistan and talks to a duck.

First, the Clinton quote. As the eight leaders plus the EU's Jacques Santer posed for a photograph before their morning meeting, President Clinton was asked by a reporter whether the statement on India without sanctions would be strong enough to convince Pakistan not to conduct a nuclear test. Clinton paused for a moment and then said, "I don't know, but I hope so."

Backing up, this is the pool that joined a motorcade from the Swallow Hotel to the bucolic country estate where the leaders are meeting today. Across the street from the hotel, in Clinton's view, were about a dozen demonstrators holding two large banners. One said "India tests, Clinton explodes. . . ." The other said "First nuking nation cries wolf." The drive to the estate took about 50 minutes.

The estate is called Weston Park with the trip's best dateline, Weston-Under-Lizard. It is a 1,000-acre estate owned by a charitable trust called the Weston Park Foundation. The estate goes back to the 11th century and the current house was built in 1671 by Lady Wilberaham, using a copy of Palladio's First Book of Architecture. In 1981 Richard 7th Earl of Bradford, facing crushing death taxes, gave the estate to the charitable trust.

On their arrival, the leaders stepped out of the house to a garden terrace to pose for pictures. They were chatting and gesturing at the fabulous scenery. Clinton said jokingly, "A symbol of New Labour," and British Prime Minister Tony Blair replied, laughing, "That's quite enough." They were all tieless and Prime Minister Blair was carrying his navy blazer over his shoulder. President Clinton was wearing a dark green shirt and navy blazer. As they posed for pictures, three ducks began to walk across their path, then stopped. The other leaders turned to walk into the house, but Clinton paused and said to the ducks, "Come on, don't chicken out now."

As they walked inside the house, Japanese Prime Minister Ryutaro Hashimoto put his arm across Clinton's back and Clinton put his arm across Hashimoto's shoulders, and they walked up the steps together.

Susan Page, USA Today