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POTUS Press Conference 04-23-93

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THE SECRETARY OF DEFENSE
WASHINGTON, THE DISTRICT OF COLUMBIA

*Hold for
new evidence
tomorrow*
(initials)

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Public Statements In Connection With the Release of the
Report on the 1991 Tailhook Convention

On Friday, April 23, 1993, the second report by the Department of Defense Inspector General on the 1991 Tailhook Convention will be transmitted to the Navy and released to the public. At the same time, files reflecting allegations of misconduct will be provided to the authorities within the Navy and Marine Corps responsible for bringing charges, when appropriate, referring such charges to courts-martial, and taking other administrative or corrective actions, as necessary.

There are unique aspects of the military justice process that require special caution on the part of those of us in the chain of command or in positions to influence the outcome of individual cases. In that process -- unlike the civilian justice system -- the constitutional separation of powers between prosecutor and adjudicator does not exist. Rather, the prosecutors, the judges, and the jurors all serve under the authority of the commander. The commander actually "prefers" court-martial charges, establishes the forum for adjudication, provides for selection of both the prosecutor and defense counsel, and hears requests for clemency.

In order to protect defendants and to create a fair system of adjudication, "unlawful command influence" is prohibited. Historically, this prohibition has meant that commanders may not attempt to influence a court-martial proceeding by exerting pressure on counsel, the judge or jurors. Even the inaccurate perception by a judge or a juror that a certain action is necessary to satisfy the preferences of a commander has been labelled "unlawful command influence." And, in certain circumstances, the concept has been extended to find "apparent command influence" when a reasonable person, if aware of all of the facts, would lose confidence in the fairness of the military justice system.

Furthermore, appellate courts have held that civilians in policy positions can, by their statements or actions, taint court-martial proceedings. While the issue of statements by a President or a Secretary of Defense has never arisen, given the sensitivity of the Tailhook report, I am going to avoid any statement that could possibly be viewed as attempting to influence any resulting court-martial proceeding.

Accordingly, we advise that you follow these rules:

First, make no comment whatsoever on any individual case or cases. Even seeming policy statements can be viewed as a comment on an individual case. For example, a commander suggested that it was "paradoxical" for subordinate commanders to appear as a character witness in drug cases brought against individuals recommended by those subordinate commanders for courts-martial. After complaints by defendants that these statements unfairly affected their ability to defend themselves, convictions were reversed or sentences reduced in over 150 cases.

Second, you may state that the conduct that was reported as occurring at Tailhook '91 has no place in the Armed Forces. It is important, however, to use the words "that was reported as occurring" rather than to adopt the findings as your own.

Third, couple any such statement with the statement that this does not mean that you believe any particular individual is guilty of any particular offense. You should add:

Appropriate procedures are in place to ensure that determinations in any case that might be brought are based upon the facts and the law and are reached on a fair and impartial basis.

Fourth, if you are pressed to say more or explain why you cannot, you should explain that this matter is now one for the military justice system to review, and for that reason further comment by you would be inappropriate:

Public statements about Tailhook will be governed by the need to preserve the integrity of the military justice process. This puts special constraints on the actions of anyone in the chain of command or otherwise in a position to influence inappropriately those actions. For this reason, no further comment would be appropriate.

DRAFT

April 22, 1993
Presidential Press Conference

DATE: Friday, April 23, 1993
LOCATION: East Room
TIME: 12:00 noon
FROM: Dee Dee Myers

I. PURPOSE

This is your "second" Presidential Press Conference in the minds of the White House Press Corps. It is an opportunity for them to ask you questions on a variety of topics concerning domestic and foreign policy.

II. BACKGROUND

This is actually your 15th press conference with the White House Press Corps.

III. PARTICIPANTS

The White House Press Corps, some foreign journalists and other reporters who cover the White House from time to time.

IV. PRESS PLAN

Open coverage

V. SEQUENCE OF EVENTS

VI. REMARKS

Attached are likely questions from the Cabinet agencies, National Service, the National Economic Council, Personnel, Communications and Domestic Policy. Foreign policy questions and answers will be provided by the National Security Council.

DOMESTIC POLICY Q & A FOR THE PRESIDENT'S PRESS CONFERENCE

WELFARE REFORM

Q. Welfare reform was a central issue in your campaign, yet there is no money for it in your current budget, and the welfare reform task force you promised has not yet been named. How are you going to keep your promise to end welfare as we know it?

A. I've said again and again that welfare reform is one of the top five priorities for my administration, and that I want to work with the states to make it happen. Last week, at my urging, my HHS Secretary signed a waiver to allow the state of Vermont to experiment with the kind of time-limited welfare system I advocated in my campaign. I have called the first meeting of the Domestic Policy Council for next week to discuss this issue. I will ask my welfare reform working group to report back to me in the next six weeks with a plan to encourage more welfare reform experiments like Vermont, and to have a reform plan ready by this fall.

We know this can work: in the past week, studies have come out showing that the LEAP program in Ohio increased high school attendance by giving teenage welfare mothers a bonus for staying in school, and that single parents who went through the GAIN job training program in California earned 20% more than those who didn't -- and welfare costs went down.

URBAN POLICY

Q. The Rodney King case is over, but the problems of places like South Central L.A. remain. What is your administration going to do for the inner city?

A. I commend the jury in the Rodney King case for their fair and thoughtful verdict, and the city of Los Angeles for preserving calm through tough times. Now it's time for all of us to do our part -- and give the working poor a chance to join the economic mainstream, not just in the inner cities but in rural areas. We need to take our country back, neighborhood by neighborhood -- by attracting new investment, generating new jobs, unleashing the boundless energy of business people in poor communities who are good risks and have great ideas but can't get credit. We did that in my state, and our folks will tell you that a lot of times poor people with small loans are a much safer risk than rich people with big loans. In the next few weeks, I will be introducing legislation to generate jobs and new business in poor areas, and create a nationwide network of community development banks.

We need to do two other things as well: First, we've got to take back our streets. This past week, the city of Los Angeles proved what law enforcement people have been telling me for years -- the way to reduce crime is to put more cops on the street. When Chief Williams beefed up their force, crime dropped 12% across the city.

The other thing we've got to do is something no jury, no police force, and no government program can do for us. We've got to restore a sense of community, and stop coming apart when we ought to be coming together.

DOMESTIC POLICY Q & A FOR THE PRESIDENT'S PRESS CONFERENCE

100,000 COPS PLEDGE

Q: What are you doing about your pledge to put 100,000 new police on the streets? The budget only shows a \$25 million for a Police Corps and \$50 million for Community Policing?

A: I am committed to putting 100,000 new police officers on the street, and my budget shows a bigger investment than the \$75 million you've mention.

More cops on the street will make our streets safer. In anticipation of the verdict in the Rodney King trial, LA police chief Willie Williams put 600 additional police officers on the streets and -- guess what? -- violent crime dropped 12% across the city.

I've already proposed spending close to \$1 billion for additional police -- \$200 million in the jobs bills, \$75 million in new Justice programs for FY 1994, and more than \$500 million next year through the Community Investment Program for enterprise zones. I think that's a solid down payment. We've budgeted more than \$2 billion for police-related programs over the next five years, but we're still working on the authorizing legislation.

DRUG BUDGET QUESTION

Q: Your FY 1994 Budget included a federal drug spending chart that seems to indicate that your "Drug War" is going to be the same as George Bush's. It's about the same amount of money, and the supply-demand ratio has not really changed? How do you explain that?

A: First of all, my drug budget and strategy will not be the same as George Bush's. It will be focused on the two major promises I made during the campaign: (1) to increase the number of police on our streets and expand community policing; and (2) to dramatically increase the availability of drug treatment.

The previous Administration's strategy was based on halting the world flow of drugs. We're going to set our sites more at home and do a better job of controlling drug demand and preventing drug-related crime.

But that's not to say we're not going to do a better job of interdiction, too. As the biggest consumer of illegal drugs we have an important international responsibility in fighting drugs. It's just that while the previous administration always stressed the international aspect of the drug war, it always spent the majority of the drug budget on domestic efforts. That's not new. I want to stop the politicizing of the drug war and emphasize our problems at home.

Second, the drug budget does not factor in the impact of including drug treatment as part of our national health care legislation. This is the most important thing we can do to expand the availability of drug treatment.

The medical costs of AIDS, tuberculosis, and other illnesses show what a huge drain drug use puts on our health care system -- and on the economy as a whole. Some estimates of the economic impact of illegal drugs range in the hundreds of billions of dollars, and health care may be the best way to address this problem and represents a complete departure from past treatment policies.

DOMESTIC POLICY Q & a FOR THE PRESIDENT'S PRESS CONFERENCE

LOBBY DISCLOSURE

Question: Your Administration has endorsed the Levin/Bryant lobbying disclosure bill. However, critics of the bill such as Common Cause point out that the bill is not as strong as the measure you passed as governor of Arkansas because it does not require lobbyists to disclose gifts to Congress. How do you respond to their criticisms?

Answer: The current lobby disclosure laws are loop-hole ridden and despite numerous attempts have not been changed substantially since 1946. First, we've got to make lobbyists come clean with the American people. And then maybe we ought to do what Congressman Bryant recommends, and make Congressional gift rules like those in the Executive Branch. (no gifts over \$50)

This bill is a dramatic attempt to close loopholes in the current laws and provide realistic penalties for violations.

QUESTIONS AND SUGGESTED ANSWERS ON GAY/LESBIAN ISSUES
FOR THE PRESIDENT'S PRESS CONFERENCE

Q: Mr. President, more than 1 million people are expected to participate in the March on Washington this weekend. Given the historic nature of the March, the size of the group, and the community's support for your presidency, why won't you at least place a phone call to them?

A: Well, first let me say that I strongly support the goal of eliminating discriminatory barriers to equal opportunity and access for any American, regardless of sexual orientation. As you know, on Sunday I will be traveling between three cities, so I decided to issue a statement to commemorate the March. And I have asked Rep. Nancy Pelosi to read the statement on my behalf. In addition, a number of Administration officials from the White House and Cabinet Departments will be participating in activities related to the March. So this Administration will have a prominent and unprecedented presence during the March activities.

Q: Are you afraid of being seen or too closely associated with the gay rights activists?

A: No, if I were afraid I wouldn't have met with them in my office last week. And I was the first President in history to do so. I have said all along that we don't have a person to waste in this country and we all have to learn to respect one another.

Q: At your first formal press conference, you suggested that you would consider separating troops and distinguishing between combat assignments. Have you changed your position on this?

A: No, without revisiting what I said the last time, let me just say that my position all along has been that we have a review process underway and the Secretary of Defense will report back to me by July 15.

Q: Some people have suggested that the release of the Tailhook Report today was timed to coincide with the gay rights march this weekend. Is that true?

A: No...

Q: Well, how does the Tailhook Report affect your position on sexual misconduct in the military?

A: I think the Tailhook Report shows that we have to emphasize misconduct and not just status in determining inappropriate behavior. It doesn't matter if you're homosexual or heterosexual, the military will not permit sexual harassment or violence or other destructive behavior directed against other service members or the general public.

GOALS 2000: EDUCATION REFORM

Q. Mr. President, your public education reform bill has been criticized on a number of fronts. Some critics say that it was a mistake to call for "opportunity to learn" standards in addition to the national education goals. Others say that this represents federal intrusion into state and local prerogatives. How do you respond?

A. I believe that the Goals 2000 bill represents a major step forward on the road to educational excellence for America's students. And I think that when fair-minded people actually look at what the bill would do, they'll come to the same conclusion.

This bill provides incentives to translate the national education goals into meaningful reform at the state and local level. At the same time, it talks in a very sensible way about the conditions for learning that will help students achieve these goals: better curricula, improved teacher training, expanded use of advanced technologies, and the like. I really don't see how anyone could object to this.

Let me emphasize that this bill creates a new partnership between the federal government, on the one hand, and the states and localities on the other. Participation in this partnership is voluntary, and the standards themselves are purely voluntary, as the language of the bill makes crystal-clear. This is not federal intrusion, and it's certainly not an unfunded federal mandate. I've opposed such actions in the past, and I will continue to oppose them.

But I make no apologies for the central thrust of this bill: putting the federal government squarely on the side of educational excellence as defined by the national education goals. I worked for agreement on those goals as governor of Arkansas, and as President I'm going to work to make them a reality in every classroom in America. Our kids deserve no less, and our future depends upon it.

DELANEY CLAUSE/PESTICIDES

Q. Mr. President, there have been persistent rumors that the EPA and FDA will refuse farmers permission to employ a range of pesticides that they've been using for years. This could pose a real problem for crops during this growing season, particularly in Florida and California. Are these rumors true, and what does your administration plan to do about the problem?

A. We're going to do everything in our power to ensure that our nation's food supply remains safe, abundant, and affordable.

With regard to the specific issue: Our hand has been forced by a recent court decision, which removes the discretionary authority under which EPA has in the past granted permission to use the pesticides in question. An administration working group is looking at three issues--the scientific basis for individual pesticide determination, short-term relief for farmers during this growing season, and a longer-term legislative remedy.

We know that some farmers have already purchased stocks of pesticides whose use will probably be prohibited; in some cases alternative pesticides are either unaffordable or unavailable. We are examining every option for relieving the burden on farmers.

(Followup Q): Mr. President, you mentioned a "longterm legislative remedy." Does that mean that your administration is going to alter the Delaney clause?

A. We've begun a full review of the situation, and it would be highly premature to speculate on any particular outcome. I will say this: we have a responsibility to examine the extensive evidence--scientific, legal, and administrative--that has emerged since the Delaney clause was enacted. And that's what we're going to do.

Questions and Answers
for the President's Press Conference on....
National Service

Q. If national service is so important to you, why did your Administration propose a stimulus compromise that scaled back the Summer of Service pilot program by \$7 million?

A. There are a lot of things in the stimulus compromise that I would have preferred not to accept. With national service, what matters is that though the program may be less broad than we'd like, we will still be able to accomplish what the "Summer of Service" set out to achieve: helping children at-risk; training a new generation of leaders for service; and demonstrating to America all that national service can accomplish.

Q. With the Department of Education's proposing cuts in the Pell program and your estimate that only about 100,000 kids will be able to participate in national service, couldn't the \$7.4 billion be better spent on expanding grants?

A. First of all, I would have funded the \$2 billion Pell shortfall if the Republicans hadn't cut it out of the stimulus. So don't blame me if there isn't enough money in Pell.

Second, keep in mind that national service will be just one weapon in our arsenal to expand educational opportunity. It isn't either/or. Grants and loans remain crucial. You'll see us doing a lot this year to reform the grant system and make it simpler and more accessible for young people. And I think you'll see more of that kind of reform in years to come.

But third and most important: National service is an idea whose time has come. Those who say that young people aren't interested in the program should read my mail. We've gotten thousands of letters from people all over the country supporting the program. I will not let them down.

National service is an investment that pays us back in three ways: First, it expands educational opportunity. Second, it trains our young people to be more responsible, productive members of the workforce. And third, it tackles our country's problems: crime, illiteracy, poor health care, and pollution. Because of all it will do -- expanding opportunity, rewarding responsibility, and creating community -- I still believe national service will be the best money we ever spend.

Q. What's your timetable?

A. We'll be introducing national service legislation in the next couple of weeks. We want to put the program in place by the end of this fiscal year, so we can put young people to work next year, paying for college and serving our country.

Q. Do you still link the national service program with the reform of the student loan system?

A. Yes. I think the country needs both. It's a comprehensive package to expand opportunity, demand responsibility, and create community for America's young people. By offering direct loans and different ways to pay them back, we'll save billions of dollars and make it simpler for all Americans to borrow and easier to repay. Then we'll make sure that people who've gotten something from their country give something back -- either with money or service. And through the civilian GI Bill we're planning, we'll bring Americans together to tackle our common problems.

Q. Do you want the savings from direct lending to "pay for" national service?

A. We want to use those savings for a lot of things. We'll put them into deficit reduction, but we'll also put them into reducing the interest rate on student loans.

And keep in mind that we're not going to sacrifice any quality just to save money. With fewer complex procedures, direct lending will make it simpler for young people to pay for college. Along with the variety of new repayment options that we're proposing, it will make college more accessible again.

Q. We've heard that you're going to propose combining ACTION into your new national service program. [or other specific item] Is that true?

A. I'd rather not discuss the details until we introduce legislation -- which will be very soon. But I can tell you about one of the central principles of national service: that responsibility, not only among our people, in our government. We have learned the lessons of failed social programs in the past. And that's why national service will reinvent government -- cutting waste, improving efficiency, and rewarding what works. You'll see that in the legislation I introduce next week.

QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE

-- CAMPAIGN FINANCE REFORM --

Q. At your last press conference you stated that you would be introducing a campaign finance reform proposal "in a few days". That was a month ago. When do you plan on unveiling your plan and what will be in it?

A. One of my major goals will be to reconnect our government with the American people, and ensure that narrow interests do not predominate over the national interest. Next week we will announce the details of a plan that represents a breakthrough reform of our campaign finance system. It will include four major elements: 1) setting a limit on ever-escalating spending in congressional races; 2) restricting on the role of special interest PACs and lobbyists; 3) opening up the airwaves to all candidates so that everyone can have a chance to participate in the system and; 4) ending the role of soft money in federal elections. I want our elections to be about democracy and not about who has the most money to spend.

Q. During the campaign, you pledged to reduce the contribution limit for political action committees from \$5,000 to \$1,000. Do you still plan to keep this promise?

A. My plan will include real PAC reform that will curb the role of PACs and significantly reduce the amount of PAC money in congressional elections. This is consistent with my concern for curbing the influence of the special interests in this process.

Q. What will your campaign finance reform plan do about ending the soft money problem?

A. My proposal will ban the use of soft money in federal elections but will still enable the national parties to raise sufficient amounts to fund grassroots activities and encourage involvement of all citizens in the political process. It will be strong reform, and I believe it will be viewed as such.

Q. Will your campaign finance reform plan include any form of public financing and, if so, how can you afford to propose this in light of all the resistance you have faced to any additional spending?

A. My plan will make sure that all credible candidates have access to the airwaves and to voters, but I will not ask average taxpayers to pay for this. Instead, this would be funded by taxing lobbying, through repeal of the current tax deduction for lobbying expenses, and by the voluntary checkoff. Elections must be about real issues and real choices between candidates. Only if you provide an opportunity for all candidates to have a

voice can this be achieved. I don't want to see a Congress made up only of people who are either rich or successful fundraisers.

HEALTH CARE: QUESTIONS AND ANSWERS

April 23, 1993

General: Right now, I am working with Hillary and my Task Force to develop a comprehensive health care reform package. I receive several policy briefings from members of the working groups each week and am heavily involved in working through the issues that remain. Many options for controlling costs and providing security to American families remain under consideration.

Q: You initially set a May 3 deadline for the Health Reform Plan. It now appears that the process has been delayed. When will you present the proposal to Congress?

A: As you know, due to circumstances beyond our control, the work of the Task Force was delayed slightly. I will present my health care reform proposal to Congress by the end of May and I am committed to passing health care reform this year.

Q: Are you considering a Value Added Tax as reported by the media last week? [A month ago, you stated that you were not considering a VAT and would inform us if you were to consider it. Do you have any comment on that?]

A: The working groups that are advising the Task Force are considering many options for financing our proposal. No decisions have been made.

Q: Will "illegal aliens" [undocumented immigrants] be automatically insured under your health reform plan?

A: It is unlikely that people who are not U.S. citizens or legal residents will be entitled to the comprehensive benefits package. However, undocumented residents that currently receive coverage under community-based programs and Medicaid provisions will continue to do so and there may, in fact, be an enhanced safety net for some of these current services. **[NOTE:** It is important specify both U.S. citizens and legal residents when referring to inclusion in our reform package. Also, the Latino community is very sensitive to the term "illegal aliens".]

Q: Will you impose price controls as part of your health reform package?

A: One of the goals of my health care reform plan will be to immediately control the spiraling health care costs which threaten the security of every American family and add to our growing deficit. Any list of options will obviously have to include ways to control costs in the short term, but no decisions have been made.

Health Care Q & A

April 23, 1993

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Q: How fast are you going to extend health care coverage to the uninsured?

A: The timetable is not set yet. Obviously, the faster we get our costs under control, the sooner we will be able to guarantee every American the high quality, affordable health care they deserve.

Q: Will abortions be covered in your comprehensive health care benefits package?

A: The details of the benefits package have not been worked out yet. I want to discuss the specifics of the comprehensive benefits package all at once and not piece by piece.

**QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON PERSONNEL ISSUES**

Q: Why is the process of filling all the jobs in your Administrations going so slowly?

A: I don't think that is going slowly at all. We've got more than 1,000 people in place and working hard to make this government do its job for the American people. We've got hundreds more people who are in the final stages of consideration and are going to be placed in jobs soon.

It's important to recognize that some delay in the process is inevitable. Think of it like an upside-down pyramid. Before you can fill the bulk of the jobs at the lower levels, you first have to fill the smaller number of jobs at the top. For each Deputy Secretary of Assistant Secretary that we put into place, we get to hire several more people to work under them. As time goes, the process is moving faster and faster, and that's going to continue.

Q: But isn't it true that the pace of your appointments is only about the same as that of President Bush, who had a "friendly takeover" and could afford to move slowly, and slower than other previous Presidents?

A: While its essentially true that I am moving at about the same pace as President Bush, and slightly behind Presidents Reagan and Carter, you have to remember that, in large part, that's because of Congressional and FBI background check processes that are much more thorough and take much more time than was ever the case before.

I'm also working very hard to reach out beyond Washington, DC and beyond the people who are traditionally considered for these jobs and to put together a group of highly talented people from diverse backgrounds and all parts of this country.

Q: You promised repeatedly during the campaign to put together an Administration that "looks like America." Many critics say that you haven't met that goal. How do you respond?

A: That just isn't true. The fact is that I have put together the most diverse Cabinet and White House in this country's history, and I am in the process of putting together the most diverse government in this country's history.

About 20% of our appointments have been racial or ethnic minorities, and about a third have been women. But I never promised anyone any specific numbers. I said all along that I would simply include everyone in considerations, and seek to put a diverse group of excellent people together, and that is what I have done.

**QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON WACO (TREASURY DEPARTMENT)**

- Q. When will the Treasury/Justice investigation begin?
- A. Secretary Bentsen and Attorney General Reno have already met to begin coordination of the investigative effort, and I have instructed them to develop an investigative plan immediately.
- Q. What will be the focus of the investigation?
- A. The focus of the investigation will be to determine whether existing federal law enforcement policies, procedures and practices were adequate, and whether they were followed in connection with the Waco matter.
- Q. How can you avoid disrupting the criminal investigation and prosecution?
- A. We intend to coordinate this investigation to avoid disruption of the criminal investigation and prosecution.
- Q. What corrective action will you take to make sure nothing like this happens again?
- A. One of the purposes of this investigation is to minimize the likelihood of something like this happening again. But, as you know, there are no guarantees in life that tragedies are 100% avoidable. We will conduct a thorough investigation, assess the facts, and then act accordingly.
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**QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON WACO (TREASURY DEPARTMENT)**

Q. Can Justice and Treasury effectively investigate their own?

A. Yes. I am confident that professionals within the Departments have the expertise required to determine what happened and why. I've instructed the Attorney General and the Secretary of the Treasury to spare no effort in this review. Furthermore, senior officials not involved in the planning or execution of the Waco actions will oversee the investigation.

(NOTE: As of Wednesday, 21 April, the Treasury Department and Justice are discussing the establishment of a outside Review Board, composed of persons of national prominence and unquestioned integrity, to assess and evaluate the progress and results of the investigation. Agreement on this point has not been reached as of this date, but could well be concluded before Friday of this week.)

Q. It is clear that the Branch Davidian sect amassed a huge weapons arsenal. What legislation do you envision that would help prevent this sort of occurrence?

A. I am committed to signing the Brady Bill as soon as it is on my desk. Additionally, I am looking to the comprehensive review that I have directed to provide me recommendations on what legislative and administrative actions we can take to reduce the likelihood of a reoccurrence of these events.

QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON FOREIGN EXCHANGE RATES (TREASURY DEPARTMENT)

Q: Last week your remarks about the Japanese yen sent the dollar to a post-World War II low. Was that really your intention? And what is the U.S. dollar/yen policy?

A: Suggested answer (with humor)**:

I'm a President, not an exchange rate commentator. It's rare that six words can draw so much attention.

Q: Japanese officials say that while talking tough, they don't think you will do anything differently than prior administrations. Is that true?

A: Suggested answer:

The Administration is not going to confuse rhetoric with policy. I am not going to preview what trade actions we may or may not take to support our economic and commercial interests in Japan.

** See attached memo to George Stephanopoulos.

DEPARTMENT OF THE TREASURY
WASHINGTON**DRAFT**

UNDER SECRETARY

April 21, 1993

MEMORANDUM FOR GEORGE STEPHANOPOULOS

FROM: Lawrence Summers

SUBJECT: Exchange Rate Question

I believe it would be desirable to avoid further comments by the President on exchange rates, ideally with some light, self deprecating aside about how he's the President, not an exchange rate commentator. Or how he hasn't figured out how to talk about exchange rates without moving the market. Or how he would rather leave that question to the former Senator from Texas.

In general, I don't think it makes sense for the White House to articulate exchange rate policy. Every utterance is subjected to exhaustive interpretation and has dramatic market effects. In the three days since the President's remarks about the yen, for example, the dollar fell by as much as 2 percent against the yen despite nearly \$2 billion in Japanese purchases of dollars (i.e., sales of yen).

There is a clear danger that further White House statements will create the perception that the Administration is seeking to drive down the value of the dollar. This would change the problem to dollar weakness rather than yen strength and lead to stories about "benign neglect" of the dollar and other allusions to the last Democratic Administration's policies that fueled inflation. Reviving concerns about the dollar could jeopardize the nice decline we have had in long-term interest rates.

In these circumstances, an artful dodge is the best response.

QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON AID FOR RUSSIA (TREASURY DEPARTMENT)

Q: Given the trouble you're having getting congressional approval of your jobs and economic stimulus program, how do you expect to win support for huge increases in foreign aid for Russia?

A: Suggested answer:

We've spent billions of dollars to defend ourselves against the former Soviet Union. We must now help Russia create a market economy and a vibrant democracy. Our support for Russia is not an act of charity. It is an investment in our own future that will help secure global peace and economic prosperity.

And we're not in this alone. Last week seven nations sat down in Tokyo and crafted a \$28.4 billion multilateral economic support package for Russia. This U.S.-led effort will provide assistance tailored to help Russia achieve its economic and political goals. This is a major coordinated effort that will bolster Russia's "reform revolution" as well as its reformers. I think the American people understand the importance of helping Russia and its citizens at this historic moment.

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QUESTION AND ANSWER FOR THE PRESIDENT'S PRESS CONFERENCE
ON THE VAT AS FINANCING FOR HEALTH CARE (Treasury Department)

Q: Will a value added tax (VAT) be part of the Administration's health care proposal?

A: I am told that a VAT is one of the many different options on the table and one that the health care task force has looked at in the course of developing a financing package for the program.

Many groups, including labor, business, and members of Congress, have also urged the Administration to consider it as part of health reform.

At this point, however, I have made no decisions on any of the provisions. In fact, it's only in the past day or two that I have begun focusing closely on the financing options.

Q: Is your energy tax proposal complete or is the Administration still carving out exceptions for certain taxpayers?

A: We have of course made some changes to our original proposal. We're comfortable with the proposal as it now stands and have no intention of making further changes. But, as you know, Congress is about to start working on the tax and will play a major role in shaping it.

This Btu energy tax offers us a significant opportunity to make a major contribution to our deficit reduction plan, while simultaneously cutting pollution, encouraging energy conservation and reducing our dependence on foreign oil.

QUESTION AND ANSWER FOR THE PRESIDENT'S PRESS CONFERENCE
ON TAXATION OF FOREIGN CORPORATIONS (Treasury Department)

Q: During the campaign, you promised to raise \$45 billion in taxes from foreign-owned corporations over 4 years. Your budget proposal only proposes to raise \$3.9 billion over 5 years. Have you backed down on your campaign promise?

A: I'm confident that the changes I'm proposing in the tax laws regarding foreign corporations and the tougher enforcement provisions -- I'm adding more than 300 personnel to crack down on non-compliance -- will raise a lot more than the \$3.9 billion in my budget. But the fact of the matter is that the budget estimators don't give us credit for increased enforcement of the law. They only give us credit for changes in the law.

In the course of the campaign we said that compliance with our tax laws by foreign-owned corporations was a serious problem that hurt the competitiveness of U.S. corporations that do pay their fair share of taxes. We continue to believe that this is a serious problem and we have proposed a comprehensive package of proposals to address it.

QUESTION AND ANSWER FOR THE PRESIDENT'S PRESS CONFERENCE
ON PUERTO RICO AND SECTION 936 (Treasury Department)

Q: You have proposed to drastically reduce the tax benefit for U.S. corporations that invest in Puerto Rico. If enacted, won't this proposal inflict irreparable harm on the island's economy?

A: Let me begin by saying that the purpose of the provision you mentioned (section 936), is to create jobs and investment in Puerto Rico. This is a laudable goal, and we support it.

We are concerned, however, that lots of tax incentives are being claimed and not many jobs are being created by the corporations that take advantage of Section 936. We would like to make this provision one that really gets the most bang for the buck in terms of creating jobs -- more jobs for every tax dollar spent.

Our proposal strikes a balance between reducing substantial tax benefits for a small number of corporations that create relatively little economic benefit, and continuing to provide appropriate incentives to companies that do create substantial employment and investment on the island.

To ensure that we have struck an appropriate balance, we are working closely with representatives of both parties in Puerto Rico and with Congress on the issue.

QUESTION AND ANSWER FOR THE PRESIDENT'S PRESS CONFERENCE
ON ENTERPRISE ZONES (Treasury Department)

Q: Does the Administration have any details on the enterprise zone proposal?

A: No, but we hope to make the final decisions within the next few days and announce them sometime next week. Several agencies -- Agriculture, HUD, Treasury, the Council of Economic Advisors and the National Economic Council -- are involved in designing our enterprise zone proposal. What we're designing is an experiment, aimed at providing a package of incentives and benefits to increase economic activity and the overall well-being of Americans living in distressed areas.

QUESTIONS AND ANSWERS FOR PRESIDENT'S PRESS CONFERENCE FROM DEPARTMENT OF ENERGY.

Q. Are you concerned about the safety of Department of Energy nuclear sites after the release of the April 2nd New Directions in Nuclear Safety Management and Organization by the outgoing head of the Office of Nuclear Safety?

A. We are very concerned about the safety of nuclear sites. We have to do a better job of insuring safety and security at our facilities than the last administration did. Secretary O'Leary is reorganizing the Department of Energy precisely to make sure all safety, environmental, and health matters are addressed comprehensively. I have the utmost confidence in Secretary O'Leary and the staff of professionals she has monitoring, correcting and improving conditions at our nuclear sites.

QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE ON USDA

Q: Farm organizations have pointed to several studies that show that the BTU tax will have a particularly negative impact on American agriculture. What is your reaction?

A: It would be difficult for me to comment on those studies because I have not seen them and the methodology used in conducting the studies vary greatly, along with their end result. However, I can say the following: A BTU tax is more equitable to rural America than a gasoline tax, an option that was initially discussed and pushed by some interests. Because a BTU tax has a broader base, it is spread among more people. A gasoline and motor fuels tax is less broad and would have a greater effect on those who are dependent on such fuels -- agricultural producers and people who are forced to drive long distances.

Also, because incomes are lower in much of rural America, increases in the earned income tax credit and an increased cap (\$28,000 and below) will help to offset the impact of the energy tax.

Other offsets:

--An exemption for energy feed stocks for fertilizer (the energy product used ingredients in making fertilizer -- but not the energy products used to create fertilizer.)

--An exemption for ethanol from the BTU tax.

--And it is vital for the deficit to be reduced to assure long-term lower interest rates. In the past, high interest rates, combined with low commodity prices have been devastating for agricultural products.

--Finally, it's important to consider this tax in the context of what we are doing in terms of farm income. Farm income is a priority. Since January we have: increased the Farmer Owned Reserve to a maximum of 900 million bushels from 600 million; recognized that disasters can happen on the quality side, not just the production side, by granting disaster assistance to corn producers for an economic disaster caused by low quality crops; ended the double discount that penalizes corn farmers trying to obtain reduced loan rates for low test-weight corn; and released \$455 million for rural housing ahead of schedule to meet demand and boost the economy.

Q: Russia is blocking U.S. meat imports -- what is the status of this dispute?

A: U.S. officials will be meeting with Russian officials in Moscow at the end of the month (April 28-30). Earlier this month (between April 8 and 16) several shipments of U.S. meat were refused entry in Russia because Russians claimed they did not meet Russian veterinary and health certification standards. Those exports will be permitted entry. USDA has requested a 6-month grace

period before the new certification requirements are enforced. The Russians have agreed to a 2-week delay until April 28-30, when a U.S. delegation will travel to Moscow to discuss these issues.

Q: Officials from Japan have said they will continue to prohibit the import of American apples. What is being done to address this?

A: Secretary Espy and Trade Representative Mickey Kantor have sent a letter to the Yoshiro Mori, minister of International Trade and Industry, on April 15. In the letter, they called the import ban "unfounded and unjustifiable." We have asked for liberalization of the restriction. We have also asked the minister to intercede so U.S. apples can enter Japan during the upcoming shipping season.

Q: Does the USDA budget reflect the administration's proposed changes for the mohair and honey programs?

A: Yes, we have eliminated the honey program -- a savings of \$12 million in 1994 (in the past over half of the program has gone to 350 participants in the program). And we have placed a cap on the wool and mohair program, limiting payments to \$50,000 per person, saving \$10 million in 1994.

Secretary Espy has put forth a \$900 million savings package that includes administrative cuts and streamlining. The budget includes the creation of the Farm Service Agency -- which will streamline and help make the USDA more farmer and taxpayer-friendly.

Highlight: The stimulus package includes the 160 additional meat inspectors that the President and Secretary Espy called for following the E.coli tragedy. The blocking of the package is holding the meat inspector proposal hostage -- a prime example of how politics is getting in the way of important legislation.

QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON DEPARTMENT OF HEALTH AND HUMAN SERVICES ISSUES

Q: How will states reconcile your decision not to resubmit the Hyde Amendment when some states may be forced to perform services they do not now provide?

A: We will work with Congress to develop language in the budget agreement that respects federal intent and existing state law.

Q: RU 486 has finally gotten an agreement to be licensed for testing in the U.S. but it may still take two years for this to reach the market. Will you consider asking the FDA to speed up the testing process on RU 486?

A: One of my first acts as President was to order FDA Director David Kessler to find a way to move forward with the testing of RU 486. We have now cleared a big hurdle with the licensing agreement with the Population Council. I am sure the FDA will work hard to bring RU 486 to American women as quickly as possible.

Q: What will the Administration do about the more than 200 HIV positive Haitians who are still being detained at Guantanamo?

A: The condition of the Haitians at Guantanamo is being constantly monitored. Those who require hospitalization are being taken to medical facilities. Congress has made clear its position on the larger immigration issue as it pertains to them. This administration must abide by that, although we will do what we can to help them.

Q: A lot of HHS initiatives are tied up in the fight over the stimulus package. What will you do on your major programs like Immunization and Headstart if the GOP doesn't soften its position?

A: I believe that there is no one on Capitol Hill who doesn't understand the importance of our immunization plan. I just don't believe anyone can hold up a program like this. On Headstart, we have already had to make some concessions. I am confident any agreement we ultimately reach will provide the money we need for these important children's initiatives.

QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON DEPARTMENT OF INTERIOR ISSUES

Q: Why did you give in to Western Senators on mining royalties and grazing fees?

A: The changes we made were in the process, not policy. You can spend time debating tactics, but there is no debating this point: I support comprehensive mining reform. There are bills in both houses of Congress that will move forward; Senator Johnston, in fact, has promised movement on his bill this spring.

We are committed to reform of the 1872 mining law. Now, 120 years may seem like a bit of a rush to some of my Senate friends, but I say it's time for reform.

On grazing, we will make changes administratively, which we have the power to do. I'm sending Secretary Babbitt out West to listen to ranchers and others and to make recommendations to me on the best way to do this. But we're not talking about if we do this, we're talking about how we'll do this.

In both of these areas, I want to make an additional point. The budgetary reasons are important, but far more important is the issue of how we manage our public lands. Some of our critics have missed that point lately.

Q: What are your plans for the National Biological Survey and how do you expect it to work?

A: For too long, we've had government agencies stumbling all over each other and offering competing management plans. We've had agencies with incompatible data and varied assumptions about species health. And we've waited until the last minute -- when a species is on the brink of extinction -- before we act.

The National Biological Survey is an attempt to pull together the scientific resources of the Interior Department, to allow them to begin planning ahead, and to help us provide a thorough mapping of the biological resources of the United States. It also helps us separate the science from the regulatory authority, and I think that will ultimately help us make better decisions.

Department of Interior (cont).

Q: What should we read into agreements Secretary Babbitt has negotiated with industry to protect endangered species?

A: They prove the Endangered Species Act can work for both the economy and the environment.

With the California Gnatcatcher protection plan, we built on local conservation efforts and did something remarkable. We listed a species as "threatened," but developers weren't upset because they knew we had worked out a plan so that it would not disrupt the local economy.

We've worked with private corporations to set aside habitat conservation areas for the Red-Cockaded Woodpecker in the southeast. That means we can protect an endangered species while harvesting timber in the same forest. We protect both the habitat and the forest jobs.

The key here: we're not sitting back and waiting for lawsuits. We are working as hard as we can to make these things work.

Q: In your campaign, you specifically promised that you would purchase more land for parks through the land and water conservation fund. But your budget calls for huge cutbacks in that program -- another broken promise to environmentalists.

A: First, an important point about the National Parks budget. I call for a 19% increase. That is the story. We are making a huge commitment to our national parks.

Second, there are many ways to "acquire more lands." One of them is land exchanges, and we've hired more people at the Department of the Interior to do that.

Finally, we had to make a very tough budget decision. Our parks have suffered through a decade of decline, and we have a maintenance backlog in the billions of dollars. So we've chosen to make some of those repairs now -- before the cost of repair goes up even more.

Q: What are your views about international application of the standards of the Endangered Species Act?

A: I believe some of the steps we've taken thus far show the Endangered Species Act can work for both the economy and the environment. I also believe that international application of this law is important, and we are now reviewing the complex legal and policy issues regarding applicability of the Endangered Species Act outside our borders. We've not yet set a timetable for action on this issue.

**QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON DEPARTMENT OF COMMERCE ISSUES**

Q: Why did the White House abruptly change fishing regulations in a way that benefits your friend and political backer Don Tyson and Tyson Foods? Oregon fishermen are also alleging that the State of Washington was also given preference because of political considerations in the decision making process. Is this true?

A: The final ruling was made by the National Oceanic and Atmospheric Administration, with consultation from the Office of Management and Budget. The 1993 allocation will spread the conservation burden equitably between the shoreside processing sector and the at-sea sector adding an incentive to overcapitalize. This decision was based entirely on what was fair and equitable between the two states and two sectors.

Q: What is the purpose of the Munster Conference? And is there any follow-up to your meeting with Prime Minister Miyazawa?

A: Commerce Secretary Brown is in Japan to meet with his counterparts for the G-7 nations in second East-West Trade and Economic Conference (Munster II). The conference is focused on how to assist the Newly Independent States and Eastern European countries through private sector investment and initiatives. This is an effective compliment to the recent meetings of Secretaries Christopher and Bentsen, which focused on government aid to the Newly Independent States.

As the first Cabinet official to visit Japan following my meeting with Prime Minister Miyazawa, Secretary Brown will reiterate the President's views that the nature of our relationship with Japan must shift to one that is focused on economics, and which is focused on results. In his meeting with Minister Mori and other officials, the Secretary will begin the process of transforming the discussions of the Summit into a working agenda, including a renewed focus on structural impediments affecting access to the Japanese market, and development of a system of measuring results to ensure progress.

Department of Commerce (cont.)

Q: Now that the Rodney King trial is over, will the Administration still pay attention to Los Angeles?

A: Thankfully, the violence that followed last year's trial did not occur this time around. But we must maintain our focus, our intensity and our resolve as we address the tremendous economic and social inequities which have haunted Los Angeles not just for the past 12 months, but for the past 28 years.

I have dispatched Secretary of Commerce Ron Brown to coordinate the administration effort to revitalize Los Angeles and the rest of the California economy. Secretary Brown has made several visits to California to meet with community leaders, assess the situation and report back to me. We have a long term commitment to the people of Los Angeles and California and we feel we can play a constructive role in this process.

Q: Doesn't the use of new encryption technology -- the "Clipper Chip" -- give the government too much authority to listen in on phone conversations?

A: No. Clipper Chip technology provides law enforcement with no new authorities to access the content of private conversations of Americans. The product was proposed based upon the recommendations of the National Security Council, the Justice Department, the Commerce Department and other key agencies.

This indicates that we understand the importance of encryption technology in telecommunications and computing and are committed to working with industry and public-interest groups to find innovative ways to protect Americans' privacy, help businesses to compete, and ensure that law enforcement agencies have the tools they need to fight crime and terrorism.

QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE ON ISSUES OF CONCERN TO THE DEPARTMENT OF VETERANS AFFAIRS.

Q: Recently, the Department of Veterans Affairs has been involved in a controversy over how to deal with complaints of sexual harassment. House Veterans Affairs chairman, Sonny Montgomery has proposed legislation to create independent VA offices to deal with issues of sexual harassment. Your secretary of Veterans Affairs, Jesse Brown, is opposed to this legislation. Do you, Mr. President, oppose this legislation as well? If so, why? And if not, do you intend to instruct Secretary Brown to alter his position?

A: To the extent that any new federal structure needs to be created to address the sexual harassment complaint process — and I am not certain there is such a need — then I agree with Secretary Brown that his department should not be singled out. Nevertheless, Mr. Brown has independently taken many aggressive measures which I think should be given a chance to prove their effectiveness.

Q: In an AP story last week, the First Lady indicated that one of the many reforms that may come out of your administration's health care task force is to open veterans hospitals to the public in order to increase access to health care in rural and poor areas of the country. Is this a policy you intend to implement?

A: The story was in error. Hillary did not say we are considering opening veterans hospitals to the public and we are not considering such a move. Our veterans hospitals will continue to exist and function for the sole benefit of our nation's veterans.

Q: Your budget request for the Department of Veterans Affairs cuts current VA medical research by \$26 million and some 900 jobs. Since you have placed health care so high on your national agenda, does it make sense to impose this kind of cut-back?

A: The total budget itself is a collection of tough choices as we attempt to get federal spending under control. At the Department of Veterans Affairs, we have opted to emphasize areas of direct health care services. Although Veterans Affairs will get an additional \$1 billion in next year's budget, much of that increase will be consumed in rising health care costs. VA research activities are important to our veterans and we hope that as time goes on, and as we bring the federal budget and our national health care system under control, we can expand on health care research.

QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE--USIA

Q: Your consolidation plan for broadcasting calls for Radio Free Europe and Radio Liberty under USIA. There has been a lot of protests from the Board for International Broadcasting. Given the instability of the NIS countries and the good work that the radios played over the past decades, how do you justify the current consolidation proposals?

A: We will continue with the type of broadcasting done by RFE/RL for as long as we deem necessary, even though the organizational aspects may change.

I do support consolidation and the savings that will be reached with consolidation. I have asked an interagency working group to examine the organizational modalities and expect to receive their report within the next couple of weeks.

PRESIDENT'S NEWS CONFERENCE
POTENTIAL QUESTIONS AND ANSWERS
FROM THE DEPARTMENT OF LABOR

THE PENSION BENEFITS GUARANTEE CORPORATION

Q: How concerned is the Administration about the PBGC financial situation?

A: We are committed to keeping the pension system strong for American workers and retirees who count on their pensions. That is why we established a task force to look into the challenges facing the PBGC. Right now, the PBGC is still sound, and it can pay benefits for quite a while. We are looking into developing solutions for the long-term.

Q: Yesterday Congressman Pickle raised the question of whether the White House is delaying a solution to PBGC's problems...are you?

A: No. We are reaching out to those with a stake in this matter, weighing the competing considerations and developing a long-term solution as soon as possible. Secretary Reich has appointed an inter-agency task force which includes Labor, Treasury, OMB, Commerce and the NEC. The Labor Secretary also acted quickly to appoint the new Executive Director of the PBGC, Martin Slate.

Q: Is the PBGC going to be another S&L crisis?

A: There are clear differences in scope and magnitude. Pensions as a whole are sufficiently funded, and concern is isolated to a few areas.

EMERGENCY UNEMPLOYMENT COMPENSATION

Q: The stimulus legislation includes funding for extended unemployment benefits through October 2, 1993. When will extended benefits run out if this legislation is not passed?

A: The Department of Labor has begun to advise states that beginning the week of April 26, extended unemployment claims may end for anyone who filed a compensation claim after March 6.

Q: How many people could be affected?

A: An estimated 500,000 Americans will be affected initially if these extended benefits are interrupted, and that number will grow by about 60,000 each week the interruption continues.

News Conference Briefing, con't
Department of Labor
page 2

NATIONAL SKILLS STANDARDS BOARD

Q: An education reform bill was sent to the Hill on Wednesday which included a provision to promote the development of voluntary national skills standards. Is the government going to be in the business of mandating certain level of skills in the private sector?

A: No. The Educate America Act will establish a National Skills Standards Board which would identify essential occupational skills and create a voluntary system of standards. The movement for national skills standards must be driven by, and accepted by, all the elements of the private sector -- business, labor and educators. Together they need to develop these standards, and only if they see these standards as relevant will they work.

BUREAU OF LABOR STATISTICS

Q: Your Labor Secretary was criticized last week for using creative accounting regarding February's employment data, using an inappropriate household survey to point out that 90% of that months job growth was in involuntary, part-time jobs. Was this so that the figures would encourage political support for your stimulus package?

A: Secretary Reich and his chief economist stand by the numbers they used as accurate. The larger issue is that we are in a jobless recovery, and no one disputes the fact that there are not enough full-time jobs being created for a healthy economy. This goes beyond statistics and beyond rhetoric. It is a serious problem.

It is my understanding that both the monthly employment data and the data from the household survey, which Secretary Reich and his chief economist referred to, are legitimate indicators. It is the best data available to explain the jobless recovery, and their calculations were legitimate. Their only "mistake," as I believe the chief economist called it in the New York Times article, was that they wished they had looked at the involuntary part-time jobs number as a long-term trend, and not as a blip in the monthly data.

April 22, 1993
Presidential Press Conference Briefing

DATE: Friday, April 23, 1993
LOCATION: Cabinet Room
TIME: 10:30am - 11:30am
FROM: Dee Dee Myers

I. PURPOSE

You will meet with the Communications staff to discuss possible questions and suggested answers for your press conference.

II. BACKGROUND

III. PARTICIPANTS

George Stephanopoulos, David Dreyer, Bob Boorstin, Mike Waldman, and Ricki Seidman -- Communications
Dee Dee Myers, Arthur Jones, and Lorraine Voles -- Press
Jeff Eller -- Media Affairs

IV. PRESS PLAN

Closed press - private meeting

V. SEQUENCE OF EVENTS

We'll be waiting in the Cabinet Room for you.

April 22, 1993
Presidential Press Conference

DATE: Friday, April 23, 1993
LOCATION: East Room
TIME: 12:00 noon
FROM: Dee Dee Myers

I. PURPOSE

This is your "second" Presidential Press Conference in the minds of the White House Press Corps. It is an opportunity for them to ask you questions on a variety of topics concerning domestic and foreign policy.

II. BACKGROUND

This is actually your 15th press conference with the White House Press Corps.

III. PARTICIPANTS

The White House Press Corps, some foreign journalists and other reporters who cover the White House from time to time.

IV. PRESS PLAN

Open coverage

V. SEQUENCE OF EVENTS

VI. REMARKS

Attached are likely questions from the Cabinet agencies, National Service, the National Economic Council, Personnel, Communications and Domestic Policy. Foreign policy questions and answers will be provided by the National Security Council.

DOMESTIC POLICY Q & A FOR THE PRESIDENT'S PRESS CONFERENCE

WELFARE REFORM

Q. Welfare reform was a central issue in your campaign, yet there is no money for it in your current budget, and the welfare reform task force you promised has not yet been named. How are you going to keep your promise to end welfare as we know it?

A. I've said again and again that welfare reform is one of the top five priorities for my administration, and that I want to work with the states to make it happen. Last week, at my urging, my HHS Secretary signed a waiver to allow the state of Vermont to experiment with the kind of time-limited welfare system I advocated in my campaign. I have called the first meeting of the Domestic Policy Council for next week to discuss this issue. I will ask my welfare reform working group to report back to me in the next six weeks with a plan to encourage more welfare reform experiments like Vermont, and to have a reform plan ready by this fall.

We know this can work: in the past week, studies have come out showing that the LEAP program in Ohio increased high school attendance by giving teenage welfare mothers a bonus for staying in school, and that single parents who went through the GAIN job training program in California earned 20% more than those who didn't -- and welfare costs went down.

URBAN POLICY

Q. The Rodney King case is over, but the problems of places like South Central L.A. remain. What is your administration going to do for the inner city?

A. I commend the jury in the Rodney King case for their fair and thoughtful verdict, and the city of Los Angeles for preserving calm through tough times. Now it's time for all of us to do our part -- and give the working poor a chance to join the economic mainstream, not just in the inner cities but in rural areas. We need to take our country back, neighborhood by neighborhood -- by attracting new investment, generating new jobs, unleashing the boundless energy of business people in poor communities who are good risks and have great ideas but can't get credit. We did that in my state, and our folks will tell you that a lot of times poor people with small loans are a much safer risk than rich people with big loans. In the next few weeks, I will be introducing legislation to generate jobs and new business in poor areas, and create a nationwide network of community development banks.

We need to do two other things as well: First, we've got to take back our streets. This past week, the city of Los Angeles proved what law enforcement people have been telling me for years -- the way to reduce crime is to put more cops on the street. When Chief Williams beefed up their force, crime dropped 12% across the city.

The other thing we've got to do is something no jury, no police force, and no government program can do for us. We've got to restore a sense of community, and stop coming apart when we ought to be coming together.

DOMESTIC POLICY Q & A FOR THE PRESIDENT'S PRESS CONFERENCE

100,000 COPS PLEDGE

Q: What are you doing about your pledge to put 100,000 new police on the streets? The budget only shows a \$25 million for a Police Corps and \$50 million for Community Policing?

A: I am committed to putting 100,000 new police officers on the street, and my budget shows a bigger investment than the \$75 million you've mention.

More cops on the street will make our streets safer. In anticipation of the verdict in the Rodney King trial, LA police chief Willie Williams put 600 additional police officers on the streets and -- guess what? -- violent crime dropped 12% across the city.

I've already proposed spending close to \$1 billion for additional police -- \$200 million in the jobs bills, \$75 million in new Justice programs for FY 1994, and more than \$500 million next year through the Community Investment Program for enterprise zones. I think that's a solid down payment. We've budgeted more than \$2 billion for police-related programs over the next five years, but we're still working on the authorizing legislation.

DRUG BUDGET QUESTION

Q: Your FY 1994 Budget included a federal drug spending chart that seems to indicate that your "Drug War" is going to be the same as George Bush's. It's about the same amount of money, and the supply-demand ratio has not really changed? How do you explain that?

A: First of all, my drug budget and strategy will not be the same as George Bush's. It will be focused on the two major promises I made during the campaign: (1) to increase the number of police on our streets and expand community policing; and (2) to dramatically increase the availability of drug treatment.

The previous Administration's strategy was based on halting the world flow of drugs. We're going to set our sites more at home and do a better job of controlling drug demand and preventing drug-related crime.

But that's not to say we're not going to do a better job of interdiction, too. As the biggest consumer of illegal drugs we have an important international responsibility in fighting drugs. It's just that while the previous administration always stressed the international aspect of the drug war, it always spent the majority of the drug budget on domestic efforts. That's not new. I want to stop the politicizing of the drug war and emphasize our problems at home.

Second, the drug budget does not factor in the impact of including drug treatment as part of our national health care legislation. This is the most important thing we can do to expand the availability of drug treatment.

The medical costs of AIDS, tuberculosis, and other illnesses show what a huge drain drug use puts on our health care system -- and on the economy as a whole. Some estimates of the economic impact of illegal drugs range in the hundreds of billions of dollars, and health care may be the best way to address this problem and represents a complete departure from past treatment policies.

DOMESTIC POLICY Q & a FOR THE PRESIDENT'S PRESS CONFERENCE

LOBBY DISCLOSURE

Question: Your Administration has endorsed the Levin/Bryant lobbying disclosure bill. However, critics of the bill such as Common Cause point out that the bill is not as strong as the measure you passed as governor of Arkansas because it does not require lobbyists to disclose gifts to Congress. How do you respond to their criticisms?

Answer: The current lobby disclosure laws are loop-hole ridden and despite numerous attempts have not been changed substantially since 1946. First, we've got to make lobbyists come clean with the American people. And then maybe we ought to do what Congressman Bryant recommends, and make Congressional gift rules like those in the Executive Branch. (no gifts over \$50)

This bill is a dramatic attempt to close loopholes in the current laws and provide realistic penalties for violations.

Draft #2

QUESTIONS AND SUGGESTED ANSWERS ON GAY/LESBIAN ISSUES
FOR THE PRESIDENT'S PRESS CONFERENCE

Q: Mr. President, more than 1 million people are expected to participate in the March on Washington this weekend. Given the historic nature of the March, the size of the group, and the community's support for your presidency, why won't you at least place a phone call to them?

A: Well, first let me say that I strongly support the goal of eliminating discriminatory barriers to equal opportunity and access for any American, regardless of sexual orientation. As you know, on Sunday I will be traveling between three cities, so I decided to issue a statement to commemorate the March. And I have asked Rep. Nancy Pelosi to read the statement on my behalf. In addition, a number of Administration officials from the White House and Cabinet Departments will be participating in activities related to the March. So this Administration will have a prominent and unprecedented presence during the March activities.

Q: Are you afraid of being seen or too closely associated with the gay rights activists?

A: No, if I were afraid I wouldn't have met with gay leaders in my office last week. And I was the first President in history to do so. I have said all along that we don't have a person to waste in this country and we all have to learn to respect one another.

Q: At your first formal press conference, you suggested that you would consider separating troops and distinguishing between combat assignments. Have you changed your position on this?

A: No, without revisiting what I said the last time, let me just say that my position all along has been that we have a review process underway and the Secretary of Defense will report back to me by July 15.

Q: Some people have suggested that the release of the Tailhook Report today was timed to coincide with the gay rights march this weekend. Is that true?

A: No...

Q: Well, how does the Tailhook Report affect your position on sexual misconduct in the military?

A: I think the Tailhook Report shows that we have to emphasize misconduct and not just status in determining inappropriate behavior. It doesn't matter if you're homosexual or heterosexual, the military will not permit sexual harassment or

violence or other destructive behavior directed against other service members or the general public.

Q: Last week at your meeting with gay leaders, you promised an AIDS czar by today. But since you haven't made any announcement today, why has it taken you so long?

A: I have discussed the appointment of an AIDS czar with a number of different people. We are moving forward in our selection process and we hope to make an announcement soon. At the same time, I have spoken out about AIDS from my very first day as President, I identified HIV treatment as a priority issue, and my jobs bill that was filibustered by the Republicans in the Senate fully funded the Ryan White Act. So we want to move forward on AIDS issues.

Q: With all the controversy over the Waco incident, the failure to end the filibuster on the jobs bill, the internal White House debate on global warming, the holocaust in Bosnia, and the Russian referendum this week, why is the White House paying so much attention to gay issues right now? Why aren't you more focused?

A: Well, we are focused. We've been trying to pass the jobs bill but the Senate Republicans have filibustered that. We've been working on the situation in Bosnia and monitoring the upcoming vote in Russia as well. I was asked to participate in the March on Washington, but I won't be in town. But we don't have any control over the timing of all these events, and we can't run away from them just because something else is going on. We can do more than one thing at a time.

GOALS 2000: EDUCATION REFORM

Q. Mr. President, your public education reform bill has been criticized on a number of fronts. Some critics say that it was a mistake to call for "opportunity to learn" standards in addition to the national education goals. Others say that this represents federal intrusion into state and local prerogatives. How do you respond?

A. I believe that the Goals 2000 bill represents a major step forward on the road to educational excellence for America's students. And I think that when fair-minded people actually look at what the bill would do, they'll come to the same conclusion.

This bill provides incentives to translate the national education goals into meaningful reform at the state and local level. At the same time, it talks in a very sensible way about the conditions for learning that will help students achieve these goals: better curricula, improved teacher training, expanded use of advanced technologies, and the like. I really don't see how anyone could object to this.

Let me emphasize that this bill creates a new partnership between the federal government, on the one hand, and the states and localities on the other. Participation in this partnership is voluntary, and the standards themselves are purely voluntary, as the language of the bill makes crystal-clear. This is not federal intrusion, and it's certainly not an unfunded federal mandate. I've opposed such actions in the past, and I will continue to oppose them.

But I make no apologies for the central thrust of this bill: putting the federal government squarely on the side of educational excellence as defined by the national education goals. I worked for agreement on those goals as governor of Arkansas, and as President I'm going to work to make them a reality in every classroom in America. Our kids deserve no less, and our future depends upon it.

These questions and answers are based on today's introduction of the "Goals 2000: Educate America Act."

Question:

Funding. Is this enough money to get the job done? This is less money than the previous administration requested. Aren't you asking schools to do more with less?

Answer:

The "Goals 2000: Educate America Act" is designed to promote long-term direction for the improvement of education and to provide a framework and resources to help States strengthen, accelerate, and sustain their own improvement efforts. This is enough money to get the job started and will be an on-going process. Schools will participate on a voluntary basis and this bill provides funds to aid states in their reform efforts.

Question:

Does this provide for federal control of schools? Is there too much "top down" management by federal officials? Does this establish a national curriculum?

Answer:

Education is and always has been primarily a state responsibility. States have always been the "laboratories of democracy." This has been especially true in education over the past decades. The lessons we have learned from the collective work of States, local education agencies, and individual schools are incorporated in GOALS 2000 and provide the basis for a new partnership between the Federal Government, States, parents, business, labor, schools, communities and students. This will not establish a national curriculum. It will usher in a new era of leadership at the national level.

Question:

Do states lose flexibility and does this impose costly mandates? Also, how voluntary are these standards?

Answer:

We are well aware that innovation and creativity occur at the state and local level and this new partnership will invigorate and draw from that process not detract. This new partnership is not one of mandates, but of cooperation and leadership. This legislation would set criteria for approving voluntary standards and assessments regarding what students should know and be able to do and what schools should provide. States could voluntarily seek certification of their standards and assessments. Money is not tied to a specific requirement that States seek certification of their standards.

Questions and Answers
for the President's Press Conference on....
National Service

Q. If national service is so important to you, why did your Administration propose a stimulus compromise that scaled back the Summer of Service pilot program by \$7 million?

A. There are a lot of things in the stimulus compromise that I would have preferred not to accept. With national service, what matters is that though the program may be less broad than we'd like, we will still be able to accomplish what the "Summer of Service" set out to achieve: helping children at-risk; training a new generation of leaders for service; and demonstrating to America all that national service can accomplish.

Q. With the Department of Education's proposing cuts in the Pell program and your estimate that only about 100,000 kids will be able to participate in national service, couldn't the \$7.4 billion be better spent on expanding grants?

A. First of all, I would have funded the \$2 billion Pell shortfall if the Republicans hadn't cut it out of the stimulus. So don't blame me if there isn't enough money in Pell.

Second, keep in mind that national service will be just one weapon in our arsenal to expand educational opportunity. It isn't either/or. Grants and loans remain crucial. You'll see us doing a lot this year to reform the grant system and make it simpler and more accessible for young people. And I think you'll see more of that kind of reform in years to come.

But third and most important: National service is an idea whose time has come. Those who say that young people aren't interested in the program should read my mail. We've gotten thousands of letters from people all over the country supporting the program. I will not let them down.

National service is an investment that pays us back in three ways: First, it expands educational opportunity. Second, it trains our young people to be more responsible, productive members of the workforce. And third, it tackles our country's problems: crime, illiteracy, poor health care, and pollution. Because of all it will do -- expanding opportunity, rewarding responsibility, and creating community -- I still believe national service will be the best money we ever spend.

Q. What's your timetable?

A. We'll be introducing national service legislation in the next couple of weeks. We want to put the program in place by the end of this fiscal year, so we can put young people to work next year, paying for college and serving our country.

Q. Do you still link the national service program with the reform of the student loan system?

A. Yes. I think the country needs both. It's a comprehensive package to expand opportunity, demand responsibility, and create community for America's young people. By offering direct loans and different ways to pay them back, we'll save billions of dollars and make it simpler for all Americans to borrow and easier to repay. Then we'll make sure that people who've gotten something from their country give something back -- either with money or service. And through the civilian GI Bill we're planning, we'll bring Americans together to tackle our common problems.

Q. Do you want the savings from direct lending to "pay for" national service?

A. We want to use those savings for a lot of things. We'll put them into deficit reduction, but we'll also put them into reducing the interest rate on student loans.

And keep in mind that we're not going to sacrifice any quality just to save money. With fewer complex procedures, direct lending will make it simpler for young people to pay for college. Along with the variety of new repayment options that we're proposing, it will make college more accessible again.

Q. We've heard that you're going to propose combining ACTION into your new national service program. [or other specific item] Is that true?

A. I'd rather not discuss the details until we introduce legislation -- which will be very soon. But I can tell you about one of the central principles of national service: that responsibility, not only among our people, in our government. We have learned the lessons of failed social programs in the past. And that's why national service will reinvent government -- cutting waste, improving efficiency, and rewarding what works. You'll see that in the legislation I introduce next week.

QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE

-- CAMPAIGN FINANCE REFORM --

Q. At your last press conference you stated that you would be introducing a campaign finance reform proposal "in a few days". That was a month ago. When do you plan on unveiling your plan and what will be in it?

A. One of my major goals will be to reconnect our government with the American people, and ensure that narrow interests do not predominate over the national interest. Next week we will announce the details of a plan that represents a breakthrough reform of our campaign finance system. It will include four major elements: 1) setting a limit on ever-escalating spending in congressional races; 2) restricting on the role of special interest PACs and lobbyists; 3) opening up the airwaves to all candidates so that everyone can have a chance to participate in the system and; 4) ending the role of soft money in federal elections. I want our elections to be about democracy and not about who has the most money to spend.

Q. During the campaign, you pledged to reduce the contribution limit for political action committees from \$5,000 to \$1,000. Do you still plan to keep this promise?

A. My plan will include real PAC reform that will curb the role of PACs and significantly reduce the amount of PAC money in congressional elections. This is consistent with my concern for curbing the influence of the special interests in this process.

Q. What will your campaign finance reform plan do about ending the soft money problem?

A. My proposal will ban the use of soft money in federal elections but will still enable the national parties to raise sufficient amounts to fund grassroots activities and encourage involvement of all citizens in the political process. It will be strong reform, and I believe it will be viewed as such.

Q. Will your campaign finance reform plan include any form of public financing and, if so, how can you afford to propose this in light of all the resistance you have faced to any additional spending?

A. My plan will make sure that all credible candidates have access to the airwaves and to voters, but I will not ask average taxpayers to pay for this. Instead, this would be funded by taxing lobbying, through repeal of the current tax deduction for lobbying expenses, and by the voluntary checkoff. Elections must be about real issues and real choices between candidates. Only if you provide an opportunity for all candidates to have a

voice can this be achieved. I don't want to see a Congress made up only of people who are either rich or successful fundraisers.

HEALTH CARE: QUESTIONS AND ANSWERS

April 23, 1993

General: Right now, I am working with Hillary and my Task Force to develop a comprehensive health care reform package. I receive several policy briefings from members of the working groups each week and am heavily involved in working through the issues that remain. Many options for controlling costs and providing security to American families remain under consideration.

Q: You initially set a May 3 deadline for the Health Reform Plan. It now appears that the process has been delayed. When will you present the proposal to Congress?

A: As you know, due to circumstances beyond our control, the work of the Task Force was delayed slightly. I will present my health care reform proposal to Congress by the end of May and I am committed to passing health care reform this year.

Q: Are you considering a Value Added Tax as reported by the media last week? [A month ago, you stated that you were not considering a VAT and would inform us if you were to consider it. Do you have any comment on that?]

A: The working groups that are advising the Task Force are considering many options for financing our proposal. No decisions have been made.

Q: Will "illegal aliens" [undocumented immigrants] be automatically insured under your health reform plan?

A: It is unlikely that people who are not U.S. citizens or legal residents will be entitled to the comprehensive benefits package. However, undocumented residents that currently receive coverage under community-based programs and Medicaid provisions will continue to do so and there may, in fact, be an enhanced safety net for some of these current services. **[NOTE:** It is important specify both U.S. citizens and legal residents when referring to inclusion in our reform package. Also, the Latino community is very sensitive to the term "illegal aliens".]

Q: Will you impose price controls as part of your health reform package?

A: One of the goals of my health care reform plan will be to immediately control the spiraling health care costs which threaten the security of every American family and add to our growing deficit. Any list of options will obviously have to include ways to control costs in the short term, but no decisions have been made.

Health Care Q & A

April 23, 1993

Page 2

Q: How fast are you going to extend health care coverage to the uninsured?

A: The timetable is not set yet. Obviously, the faster we get our costs under control, the sooner we will be able to guarantee every American the high quality, affordable health care they deserve.

Q: Will abortions be covered in your comprehensive health care benefits package?

A: The details of the benefits package have not been worked out yet. I want to discuss the specifics of the comprehensive benefits package all at once and not piece by piece.

**QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON PERSONNEL ISSUES**

Q: Why is the process of filling all the jobs in your Administrations going so slowly?

A: I don't think that is going slowly at all. We've got more than 1,000 people in place and working hard to make this government do its job for the American people. We've got hundreds more people who are in the final stages of consideration and are going to be placed in jobs soon.

It's important to recognize that some delay in the process is inevitable. Think of it like an upside-down pyramid. Before you can fill the bulk of the jobs at the lower levels, you first have to fill the smaller number of jobs at the top. For each Deputy Secretary of Assistant Secretary that we put into place, we get to hire several more people to work under them. As time goes, the process is moving faster and faster, and that's going to continue.

Q: But isn't it true that the pace of your appointments is only about the same as that of President Bush, who had a "friendly takeover" and could afford to move slowly, and slower than other previous Presidents?

A: While its essentially true that I am moving at about the same pace as President Bush, and slightly behind Presidents Reagan and Carter, you have to remember that, in large part, that's because of Congressional and FBI background check processes that are much more thorough and take much more time than was ever the case before.

I'm also working very hard to reach out beyond Washington, DC and beyond the people who are traditionally considered for these jobs and to put together a group of highly talented people from diverse backgrounds and all parts of this country.

Q: You promised repeatedly during the campaign to put together an Administration that "looks like America." Many critics say that you haven't met that goal. How do you respond?

A: That just isn't true. The fact is that I have put together the most diverse Cabinet and White House in this country's history, and I am in the process of putting together the most diverse government in this country's history.

About 20% of our appointments have been racial or ethnic minorities, and about a third have been women. But I never promised anyone any specific numbers. I said all along that I would simply include everyone in considerations, and seek to put a diverse group of excellent people together, and that is what I have done.

**QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON WACO (TREASURY DEPARTMENT)**

Q. When will the Treasury/Justice investigation begin?

A. Secretary Bentsen and Attorney General Reno have already met to begin coordination of the investigative effort, and I have instructed them to develop an investigative plan immediately.

Q. What will be the focus of the investigation?

A. The focus of the investigation will be to determine whether existing federal law enforcement policies, procedures and practices were adequate, and whether they were followed in connection with the Waco matter.

Q. How can you avoid disrupting the criminal investigation and prosecution?

A. We intend to coordinate this investigation to avoid disruption of the criminal investigation and prosecution.

Q. What corrective action will you take to make sure nothing like this happens again?

A. One of the purposes of this investigation is to minimize the likelihood of something like this happening again. But, as you know, there are no guarantees in life that tragedies are 100% avoidable. We will conduct a thorough investigation, assess the facts, and then act accordingly.

**QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON WACO (TREASURY DEPARTMENT)**

Q. Can Justice and Treasury effectively investigate their own?

A. Yes. I am confident that professionals within the Departments have the expertise required to determine what happened and why. I've instructed the Attorney General and the Secretary of the Treasury to spare no effort in this review. Furthermore, senior officials not involved in the planning or execution of the Waco actions will oversee the investigation.

(NOTE: As of Wednesday, 21 April, the Treasury Department and Justice are discussing the establishment of a outside Review Board, composed of persons of national prominence and unquestioned integrity, to assess and evaluate the progress and results of the investigation. Agreement on this point has not been reached as of this date, but could well be concluded before Friday of this week.)

Q. It is clear that the Branch Davidian sect amassed a huge weapons arsenal. What legislation do you envision that would help prevent this sort of occurrence?

A. I am committed to signing the Brady Bill as soon as it is on my desk. Additionally, I am looking to the comprehensive review that I have directed to provide me recommendations on what legislative and administrative actions we can take to reduce the likelihood of a reoccurrence of these events.

QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON FOREIGN EXCHANGE RATES (TREASURY DEPARTMENT)

Q: Last week your remarks about the Japanese yen sent the dollar to a post-World War II low. Was that really your intention? And what is the U.S. dollar/yen policy?

A: Suggested answer (with humor)**:

I'm a President, not an exchange rate commentator. It's rare that six words can draw so much attention.

Q: Japanese officials say that while talking tough, they don't think you will do anything differently than prior administrations. Is that true?

A: Suggested answer:

The Administration is not going to confuse rhetoric with policy. I am not going to preview what trade actions we may or may not take to support our economic and commercial interests in Japan.

** See attached memo to George Stephanopoulos.

**QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON JUSTICE DEPARTMENT ISSUES**

Q: What is the status of Judge Sessions and when do you anticipate a conclusion of this issue?

A: As I've said before, I have asked the Attorney General to make a recommendation to me regarding the Director. It is my understanding that she is reading the various reports, gathering additional information, and talking with various people. She will make the recommendation as soon as possible.

Q: What is the status of the U.S. Attorneys and of the Rostenkowski investigation?

A: We have been working with the Justice Department on what has been a very smooth transition of U.S. Attorneys. I have accepted about 25 resignations from politically appointed U.S. Attorneys and we will be making decisions about the remaining offices soon. In most cases, career professionals from within each office are serving as interims.

Attorney General Reno said she would try to prevent any negative impact on pending matters during this transition. It is my understanding that those people who have been directly working on the Rostenkowski investigation are still doing just that.

DEPARTMENT OF THE TREASURY
WASHINGTON**DRAFT**

UNDER SECRETARY

April 21, 1993

MEMORANDUM FOR GEORGE STEPHANOPOULOS

FROM: Lawrence Summers

SUBJECT: Exchange Rate Question

I believe it would be desirable to avoid further comments by the President on exchange rates, ideally with some light, self deprecating aside about how he's the President, not an exchange rate commentator. Or how he hasn't figured out how to talk about exchange rates without moving the market. Or how he would rather leave that question to the former Senator from Texas.

In general, I don't think it makes sense for the White House to articulate exchange rate policy. Every utterance is subjected to exhaustive interpretation and has dramatic market effects. In the three days since the President's remarks about the yen, for example, the dollar fell by as much as 2 percent against the yen despite nearly \$2 billion in Japanese purchases of dollars (i.e., sales of yen).

There is a clear danger that further White House statements will create the perception that the Administration is seeking to drive down the value of the dollar. This would change the problem to dollar weakness rather than yen strength and lead to stories about "benign neglect" of the dollar and other allusions to the last Democratic Administration's policies that fueled inflation. Reviving concerns about the dollar could jeopardize the nice decline we have had in long-term interest rates.

In these circumstances, an artful dodge is the best response.

QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON AID FOR RUSSIA (TREASURY DEPARTMENT)

Q: Given the trouble you're having getting congressional approval of your jobs and economic stimulus program, how do you expect to win support for huge increases in foreign aid for Russia?

A: Suggested answer:

We've spent billions of dollars to defend ourselves against the former Soviet Union. We must now help Russia create a market economy and a vibrant democracy. Our support for Russia is not an act of charity. It is an investment in our own future that will help secure global peace and economic prosperity.

And we're not in this alone. Last week seven nations sat down in Tokyo and crafted a \$28.4 billion multilateral economic support package for Russia. This U.S.-led effort will provide assistance tailored to help Russia achieve its economic and political goals. This is a major coordinated effort that will bolster Russia's "reform revolution" as well as its reformers. I think the American people understand the importance of helping Russia and its citizens at this historic moment.

QUESTION AND ANSWER FOR THE PRESIDENT'S PRESS CONFERENCE
ON THE VAT AS FINANCING FOR HEALTH CARE (Treasury Department)

Q: Will a value added tax (VAT) be part of the Administration's health care proposal?

A: I am told that a VAT is one of the many different options on the table and one that the health care task force has looked at in the course of developing a financing package for the program.

Many groups, including labor, business, and members of Congress, have also urged the Administration to consider it as part of health reform.

At this point, however, I have made no decisions on any of the provisions. In fact, it's only in the past day or two that I have begun focusing closely on the financing options.

Q: Is your energy tax proposal complete or is the Administration still carving out exceptions for certain taxpayers?

A: We have of course made some changes to our original proposal. We're comfortable with the proposal as it now stands and have no intention of making further changes. But, as you know, Congress is about to start working on the tax and will play a major role in shaping it.

This Btu energy tax offers us a significant opportunity to make a major contribution to our deficit reduction plan, while simultaneously cutting pollution, encouraging energy conservation and reducing our dependence on foreign oil.

QUESTION AND ANSWER FOR THE PRESIDENT'S PRESS CONFERENCE
ON TAXATION OF FOREIGN CORPORATIONS (Treasury Department)

Q: During the campaign, you promised to raise \$45 billion in taxes from foreign-owned corporations over 4 years. Your budget proposal only proposes to raise \$3.9 billion over 5 years. Have you backed down on your campaign promise?

A: I'm confident that the changes I'm proposing in the tax laws regarding foreign corporations and the tougher enforcement provisions -- I'm adding more than 300 personnel to crack down on non-compliance -- will raise a lot more than the \$3.9 billion in my budget. But the fact of the matter is that the budget estimators don't give us credit for increased enforcement of the law. They only give us credit for changes in the law.

In the course of the campaign we said that compliance with our tax laws by foreign-owned corporations was a serious problem that hurt the competitiveness of U.S. corporations that do pay their fair share of taxes. We continue to believe that this is a serious problem and we have proposed a comprehensive package of proposals to address it.

QUESTION AND ANSWER FOR THE PRESIDENT'S PRESS CONFERENCE
ON PUERTO RICO AND SECTION 936 (Treasury Department)

Q: You have proposed to drastically reduce the tax benefit for U.S. corporations that invest in Puerto Rico. If enacted, won't this proposal inflict irreparable harm on the island's economy?

A: Let me begin by saying that the purpose of the provision you mentioned (section 936), is to create jobs and investment in Puerto Rico. This is a laudable goal, and we support it.

We are concerned, however, that lots of tax incentives are being claimed and not many jobs are being created by the corporations that take advantage of Section 936. We would like to make this provision one that really gets the most bang for the buck in terms of creating jobs -- more jobs for every tax dollar spent.

Our proposal strikes a balance between reducing substantial tax benefits for a small number of corporations that create relatively little economic benefit, and continuing to provide appropriate incentives to companies that do create substantial employment and investment on the island.

To ensure that we have struck an appropriate balance, we are working closely with representatives of both parties in Puerto Rico and with Congress on the issue.

QUESTION AND ANSWER FOR THE PRESIDENT'S PRESS CONFERENCE
ON ENTERPRISE ZONES (Treasury Department)

Q: Does the Administration have any details on the enterprise zone proposal?

A: No, but we hope to make the final decisions within the next few days and announce them sometime next week. Several agencies -- Agriculture, HUD, Treasury, the Council of Economic Advisors and the National Economic Council -- are involved in designing our enterprise zone proposal. What we're designing is an experiment, aimed at providing a package of incentives and benefits to increase economic activity and the overall well-being of Americans living in distressed areas.

QUESTIONS AND ANSWERS FOR PRESIDENT'S PRESS CONFERENCE FROM DEPARTMENT OF ENERGY.

Q. Are you concerned about the safety of Department of Energy nuclear sites after the release of the April 2nd New Directions in Nuclear Safety Management and Organization by the outgoing head of the Office of Nuclear Safety?

A. We are very concerned about the safety of nuclear sites. We have to do a better job of insuring safety and security at our facilities than the last administration did. Secretary O'Leary is reorganizing the Department of Energy precisely to make sure all safety, environmental, and health matters are addressed comprehensively. I have the utmost confidence in Secretary O'Leary and the staff of professionals she has monitoring, correcting and improving conditions at our nuclear sites.

QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE ON USDA

Q: Farm organizations have pointed to several studies that show that the BTU tax will have a particularly negative impact on American agriculture. What is your reaction?

A: It would be difficult for me to comment on those studies because I have not seen them and the methodology used in conducting the studies vary greatly, along with their end result. However, I can say the following: A BTU tax is more equitable to rural America than a gasoline tax, an option that was initially discussed and pushed by some interests. Because a BTU tax has a broader base, it is spread among more people. A gasoline and motor fuels tax is less broad and would have a greater effect on those who are dependent on such fuels -- agricultural producers and people who are forced to drive long distances.

Also, because incomes are lower in much of rural America, increases in the earned income tax credit and an increased cap (\$28,000 and below) will help to offset the impact of the energy tax.

Other offsets:

--An exemption for energy feed stocks for fertilizer (the energy product used ingredients in making fertilizer -- but not the energy products used to create fertilizer.)

--An exemption for ethanol from the BTU tax.

--And it is vital for the deficit to be reduced to assure long-term lower interest rates. In the past, high interest rates, combined with low commodity prices have been devastating for agricultural products.

--Finally, it's important to consider this tax in the context of what we are doing in terms of farm income. Farm income is a priority. Since January we have: increased the Farmer Owned Reserve to a maximum of 900 million bushels from 600 million; recognized that disasters can happen on the quality side, not just the production side, by granting disaster assistance to corn producers for an economic disaster caused by low quality crops; ended the double discount that penalizes corn farmers trying to obtain reduced loan rates for low test-weight corn; and released \$455 million for rural housing ahead of schedule to meet demand and boost the economy.

Q: Russia is blocking U.S. meat imports -- what is the status of this dispute?

A: U.S. officials will be meeting with Russian officials in Moscow at the end of the month (April 28-30). Earlier this month (between April 8 and 16) several shipments of U.S. meat were refused entry in Russia because Russians claimed they did not meet Russian veterinary and health certification standards. Those exports will be permitted entry. USDA has requested a 6-month grace

period before the new certification requirements are enforced. The Russians have agreed to a 2-week delay until April 28-30, when a U.S. delegation will travel to Moscow to discuss these issues.

Q: Officials from Japan have said they will continue to prohibit the import of American apples. What is being done to address this?

A: Secretary Espy and Trade Representative Mickey Kantor have sent a letter to the Yoshiro Mori, minister of International Trade and Industry, on April 15. In the letter, they called the import ban "unfounded and unjustifiable." We have asked for liberalization of the restriction. We have also asked the minister to intercede so U.S. apples can enter Japan during the upcoming shipping season.

Q: Does the USDA budget reflect the administration's proposed changes for the mohair and honey programs?

A: Yes, we have eliminated the honey program -- a savings of \$12 million in 1994 (in the past over half of the program has gone to 350 participants in the program). And we have placed a cap on the wool and mohair program, limiting payments to \$50,000 per person, saving \$10 million in 1994.

Secretary Espy has put forth a \$900 million savings package that includes administrative cuts and streamlining. The budget includes the creation of the Farm Service Agency -- which will streamline and help make the USDA more farmer and taxpayer-friendly.

Highlight: The stimulus package includes the 160 additional meat inspectors that the President and Secretary Espy called for following the E.coli tragedy. The blocking of the package is holding the meat inspector proposal hostage -- a prime example of how politics is getting in the way of important legislation.

4/22/93

Q's and A's from USTR

Q: Does your Administration have a Japan policy?

A: I agreed with Prime Minister Miyazawa that in three months we would announce the new framework for our bilateral trade and economic negotiations. We must address macroeconomic issues as well as focus on those structural and sectoral areas that restrain our ability to export to Japan. Almost two-thirds of Japan's exports to us are in the electronics and automotive sectors -- these are areas that are pretty much closed to us in Japan. We must have a balanced trading relationship with Japan.

Our trade policy with Japan, like our trade policy with our other trading partners, is inextricably linked to our economic policy -- to increase jobs for our workers and strengthen our productivity through opening markets. Asia, as the world's largest and fastest growing market, is key.

Q: Some critics have said you are engaging in Japan-bashing to hide our own structural economic problems. Comment?

A: Trying to open Japan's markets to competitive foreign goods and services is hardly Japan-bashing. Japan is running huge trade surpluses with the US, with the rest of Asia, and with Europe. We are taking the lead in trying to reverse this unhealthy situation. My predecessors tried to hide our problems. I have been very clear about what our problems are and what we need to do to correct them. A strong American economy benefits both America and the world. We are asking Japan to do its part in driving global economic growth.

Q: What do you hope to have accomplished by the time of the G-7 meeting?

A: We and Japan will reach agreement on a trade negotiating framework. We will then sit down and negotiate in key areas, in a very tight timeframe. Once we complete those negotiations, we expect concrete results, and we expect them quickly. Japan's markets will simply have to open.

Q: Leon Brittan, the EC negotiator, was in Washington earlier this week. What was the outcome of our talks with him?

A: Mickey Kantor and Commissioner Brittan had two days of intensive discussions on a full range of multilateral and bilateral issues.

On Wednesday we announced that the U.S. and EC reached an agreement on government procurement -- an agreement that will open the

European market to American producers and workers in the heavy electrical equipment industry.

This will result in an open procurement market for both sides in this important sector with high-skill, high-wage jobs. It will open a \$20 billion market in the EC to U.S. companies.

(In exchange for removing EC discrimination against US suppliers, the United States will remove the Buy America preferences on the Tennessee Valley Authority and the five federal power administrations of the Department of Energy).

However, since the EC was not prepared to remove its existing discrimination on telecommunications equipment, the United States will proceed with Title VII (of the 1988 Trade Act) sanctions in response to this discrimination. These previously announced Title VII sanctions will be reduced to be commensurate with the remaining discrimination.

The agreement is subject to ratification by the EC Council of Ministers. If not ratified, neither side will be bound by its terms.

Q: If the EC retaliates are we in for a trade war?

A: We're not looking for "mutually assured destruction", we're looking for "mutually assured growth" -- this is what we need to create jobs for our people. We are asking that our trading partners come along with us to open markets.

Q: Has progress slowed in our efforts to reach a conclusion to the Uruguay Round?

A: No. It is our goal to complete these negotiations before the end of the year. Opening markets for manufactures, services and agriculture is a key part of the Uruguay Round result that the United States and the European Community are seeking.

To keep up the momentum, we have agreed on a stepped-up program of work. Kantor has instructed his negotiators to pursue further our common goal of building a significantly larger market access package -- and they are already at work. Brittan and Kantor will reconvene in Washington on May 7, and then will meet with their counterparts from Canada and Japan in Toronto on May 14, and in Europe during the first week in June on the remaining issues in the negotiations.

Q: Can you comment on progress in the talks on the NAFTA supplemental agreements and what powers you envision for the proposed commissions?

A: We are in the middle of intensive negotiations. Last week we held three days of discussions with Mexico and Canada in Mexico City on the supplemental agreements. And, our next negotiating

session is the week of May 10 in Canada.

The primary objective of concluding a successful NAFTA agreement is to increase jobs for the American people and to strengthen the economy. In order to accomplish this basic objective, we have consistently made the point that we would walk away from these talks if we don't get good, solid supplemental agreements with teeth. Without this, there will be no deal.

The NAFTA, by opening new opportunities for our exports to Mexico, will increase jobs and foster growth for our citizens. But we need to do more than just the NAFTA itself. Some of these elements we will implement through domestic programs and domestic legislation (such as worker adjustment assistance), others through supplemental agreements with Mexico and Canada or a combination of agreements and steps we take in our domestic legislation. Among the main elements are:

- o A strong worker adjustment program: while NAFTA, on net, will increase jobs, we need to assure that those who may lose jobs have access to effective retraining and adjustment assistance.
- o Cleaning up the border environment: we are working to improve conditions on both sides of the U.S. - Mexico border.
- o Ensuring that there are adequate domestic judicial and administrative processes for enforcement of national laws that protect workers' health and safety and the environment, just as the NAFTA improves processes for protecting intellectual property under domestic laws.
- o Safeguard against surges to include employment dislocation as a major standard.
- o Promoting higher wages as productivity rises.
- o Creating strong Labor and Environment Commissions with the necessary teeth to review national enforcement, and to hear and follow up on complaints from citizens about deficient enforcement.

(Other areas with trade implications likely to be raised include: China MFN status, opening of Vietnam, Russia GSP, and Jackson-Vanik. We're assuming the NSC has addressed these for their more important foreign policy implications).

QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON DEPARTMENT OF HEALTH AND HUMAN SERVICES ISSUES

Q: How will states reconcile your decision not to resubmit the Hyde Amendment when some states may be forced to perform services they do not now provide?

A: We will work with Congress to develop language in the budget agreement that respects federal intent and existing state law.

Q: RU 486 has finally gotten an agreement to be licensed for testing in the U.S. but it may still take two years for this to reach the market. Will you consider asking the FDA to speed up the testing process on RU 486?

A: One of my first acts as President was to order FDA Director David Kessler to find a way to move forward with the testing of RU 486. We have now cleared a big hurdle with the licensing agreement with the Population Council. I am sure the FDA will work hard to bring RU 486 to American women as quickly as possible.

Q: What will the Administration do about the more than 200 HIV positive Haitians who are still being detained at Guantanamo?

A: The condition of the Haitians at Guantanamo is being constantly monitored. Those who require hospitalization are being taken to medical facilities. Congress has made clear its position on the larger immigration issue as it pertains to them. This administration must abide by that, although we will do what we can to help them.

Q: A lot of HHS initiatives are tied up in the fight over the stimulus package. What will you do on your major programs like Immunization and Headstart if the GOP doesn't soften its position?

A: I believe that there is no one on Capitol Hill who doesn't understand the importance of our immunization plan. I just don't believe anyone can hold up a program like this. On Headstart, we have already had to make some concessions but I am confident any agreement we ultimately reach will provide the money we need for these important children's initiatives.

DELANEY CLAUSE/PESTICIDES

Q. Mr. President, there have been persistent rumors that the EPA and FDA will refuse farmers permission to employ a range of pesticides that they've been using for years. This could pose a real problem for crops during this growing season, particularly in Florida and California. Are these rumors true, and what does your administration plan to do about the problem?

A. We're going to do everything in our power to ensure that our nation's food supply remains safe, abundant, and affordable.

With regard to the specific issue: Our hand has been forced by a recent court decision, which removes the discretionary authority under which EPA has in the past granted permission to use the pesticides in question. An administration working group is looking at three issues--the scientific basis for individual pesticide determination, short-term relief for farmers during this growing season, and a longer-term legislative remedy.

We know that some farmers have already purchased stocks of pesticides whose use will probably be prohibited; in some cases alternative pesticides are either unaffordable or unavailable. We are examining every option for relieving the burden on farmers.

(Followup Q): Mr. President, you mentioned a "longterm legislative remedy." Does that mean that your administration is going to alter the Delaney clause?

A. We've begun a full review of the situation, and it would be highly premature to speculate on any particular outcome. I will say this: we have a responsibility to examine the extensive evidence--scientific, legal, and administrative--that has emerged since the Delaney clause was enacted. And that's what we're going to do.

Questions and Answers for the President's Press Conference Friday, April 23, 1993

Environmental Protection Agency

Q. Why didn't the Administration stop the WTI incinerator in East Liverpool as Vice President Gore promised you would?

- Our options were substantially narrowed on the WTI issue when the Bush Administration approved the trial burn permit on January 18.
- EPA will continue to carefully monitor the East Liverpool incinerator and will take any action necessary to protect the public.
- Overall, it's time the nation began to reduce the amount of wastes produced in the first place and identify more broadly acceptable treatment and disposal methods.

Q. How do you respond to criticism from the environmental community that your Administration has not stood by its commitment to improved environmental protection?

OR

How is your Administration different from the Bush Administration in the environmental arena?

- On Wednesday, I announced a range of environmental policies and commitments that will have substantial benefits for the environment here and around the world.
 - I expressed our commitment to meeting the goal of reducing our emissions of greenhouse gases to their 1990 levels by the year 2000.
 - I announced our intention to sign the Earth Summit Biodiversity Treaty (Convention on Biological Diversity).
 - I signed 5 Executive Orders which will move the Federal Government toward a true leadership role as a model for environmentally sound behavior. These Orders will reduce the use of toxic pollutants, promote energy efficiency, and encourage purchase of recycled products across the Government.
- We have made significant strides in our commitment to elevate the Environmental Protection Agency to Cabinet level status.
- More generally, we have moved environmental protection from the margins to the mainstream of the policy-making process. In this Administration, environmental concerns are being addressed at the front-end of the national policy process instead of being viewed as an afterthought.

Q. Why are you cutting the Superfund Budget?

We believe that with continued improvement in the enforcement area and intensive efforts to streamline the Superfund program, we will be able to maintain cleanup rates despite a small cut in the budget.

Q. To what extent have previous environmental protection strategies focused on the wrong risks?

We recognize that evaluating risk is one essential aspect of environmental policy-making. We are committed to evaluating health and environmental risks according to the best available scientific understanding of the issues. As our understanding of environmental risks evolves, our policies and priorities will adapt to address emerging threats.

Q. Is there some internal conflict in the Administration regarding Climate Change policy?

On Wednesday, I announced our commitment to reducing our emissions of greenhouse gases to their 1990 levels by the year 2000. We are in the process of developing a workable action plan to meet this commitment.

Q. Are you going to propose new food safety legislation?

This Administration is committed to public health, including the safety of the food supply. We are evaluating a variety of ways to ensure food safety and will look to environmentalists, farmers, industry and Capitol Hill to work together on this issue.

**QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON DEPARTMENT OF INTERIOR ISSUES**

Q: Why did you give in to Western Senators on mining royalties and grazing fees?

A: The changes we made were in the process, not policy. You can spend time debating tactics, but there is no debating this point: I support comprehensive mining reform. There are bills in both houses of Congress that will move forward; Senator Johnston, in fact, has promised movement on his bill this spring.

We are committed to reform of the 1872 mining law. Now, 120 years may seem like a bit of a rush to some of my Senate friends, but I say it's time for reform.

On grazing, we will make changes administratively, which we have the power to do. I'm sending Secretary Babbitt out West to listen to ranchers and others and to make recommendations to me on the best way to do this. But we're not talking about if we do this, we're talking about how we'll do this.

In both of these areas, I want to make an additional point. The budgetary reasons are important, but far more important is the issue of how we manage our public lands. Some of our critics have missed that point lately.

Q: What are your plans for the National Biological Survey and how do you expect it to work?

A: For too long, we've had government agencies stumbling all over each other and offering competing management plans. We've had agencies with incompatible data and varied assumptions about species health. And we've waited until the last minute -- when a species is on the brink of extinction -- before we act.

The National Biological Survey is an attempt to pull together the scientific resources of the Interior Department, to allow them to begin planning ahead, and to help us provide a thorough mapping of the biological resources of the United States. It also helps us separate the science from the regulatory authority, and I think that will ultimately help us make better decisions.

Department of Interior (cont).

Q: What should we read into agreements Secretary Babbitt has negotiated with industry to protect endangered species?

A: They prove the Endangered Species Act can work for both the economy and the environment.

With the California Gnatcatcher protection plan, we built on local conservation efforts and did something remarkable. We listed a species as "threatened," but developers weren't upset because they knew we had worked out a plan so that it would not disrupt the local economy.

We've worked with private corporations to set aside habitat conservation areas for the Red-Cockaded Woodpecker in the southeast. That means we can protect an endangered species while harvesting timber in the same forest. We protect both the habitat and the forest jobs.

The key here: we're not sitting back and waiting for lawsuits. We are working as hard as we can to make these things work.

Q: In your campaign, you specifically promised that you would purchase more land for parks through the land and water conservation fund. But your budget calls for huge cutbacks in that program -- another broken promise to environmentalists.

A: First, an important point about the National Parks budget. I call for a 19% increase. That is the story. We are making a huge commitment to our national parks.

Second, there are many ways to "acquire more lands." One of them is land exchanges, and we've hired more people at the Department of the Interior to do that.

Finally, we had to make a very tough budget decision. Our parks have suffered through a decade of decline, and we have a maintenance backlog in the billions of dollars. So we've chosen to make some of those repairs now -- before the cost of repair goes up even more.

Q: What are your views about international application of the standards of the Endangered Species Act?

A: I believe some of the steps we've taken thus far show the Endangered Species Act can work for both the economy and the environment. I also believe that international application of this law is important, and we are now reviewing the complex legal and policy issues regarding applicability of the Endangered Species Act outside our borders. We've not yet set a timetable for action on this issue.

**QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON DEPARTMENT OF COMMERCE ISSUES**

Q: Why did the White House abruptly change fishing regulations in a way that benefits your friend and political backer Don Tyson and Tyson Foods? Oregon fishermen are also alleging that the State of Washington was also given preference because of political considerations in the decision making process. Is this true?

A: The final ruling was made by the National Oceanic and Atmospheric Administration, with consultation from the Office of Management and Budget. The 1993 allocation will spread the conservation burden equitably between the shoreside processing sector and the at-sea sector adding an incentive to overcapitalize. This decision was based entirely on what was fair and equitable between the two states and two sectors.

Q: What is the purpose of the Munster Conference? And is there any follow-up to your meeting with Prime Minister Miyazawa?

A: Commerce Secretary Brown is in Japan to meet with his counterparts for the G-7 nations in second East-West Trade and Economic Conference (Munster II). The conference is focused on how to assist the Newly Independent States and Eastern European countries through private sector investment and initiatives. This is an effective compliment to the recent meetings of Secretaries Christopher and Bentsen, which focused on government aid to the Newly Independent States.

As the first Cabinet official to visit Japan following my meeting with Prime Minister Miyazawa, Secretary Brown will reiterate the President's views that the nature of our relationship with Japan must shift to one that is focused on economics, and which is focused on results. In his meeting with Minister Mori and other officials, the Secretary will begin the process of transforming the discussions of the Summit into a working agenda, including a renewed focus on structural impediments affecting access to the Japanese market, and development of a system of measuring results to ensure progress.

Department of Commerce (cont.)

Q: Now that the Rodney King trial is over, will the Administration still pay attention to Los Angeles?

A: Thankfully, the violence that followed last year's trial did not occur this time around. But we must maintain our focus, our intensity and our resolve as we address the tremendous economic and social inequities which have haunted Los Angeles not just for the past 12 months, but for the past 28 years.

I have dispatched Secretary of Commerce Ron Brown to coordinate the administration effort to revitalize Los Angeles and the rest of the California economy. Secretary Brown has made several visits to California to meet with community leaders, assess the situation and report back to me. We have a long term commitment to the people of Los Angeles and California and we feel we can play a constructive role in this process.

Q: Doesn't the use of new encryption technology -- the "Clipper Chip" -- give the government too much authority to listen in on phone conversations?

A: No. Clipper Chip technology provides law enforcement with no new authorities to access the content of private conversations of Americans. The product was proposed based upon the recommendations of the National Security Council, the Justice Department, the Commerce Department and other key agencies.

This indicates that we understand the importance of encryption technology in telecommunications and computing and are committed to working with industry and public-interest groups to find innovative ways to protect Americans' privacy, help businesses to compete, and ensure that law enforcement agencies have the tools they need to fight crime and terrorism.

**QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE
ON TRANSPORTATION ISSUES**

Q: How can the American people be assured that if your jobs bill passes, the millions of dollars being given to states and cities for transportation projects will not be wasted on pork projects?

A: For major transportation funds, we will require that projects meet all regular federal criteria for eligibility. That means that projects will have gone through well-established review procedures both at the state and local level and the Federal level. Also, we will track the programs closely to protect against wasteful spending. We want to ensure that the projects not only create jobs, but also bring about needed and valid improvements to local transportation systems.

Q: Can you comment on the negotiations on our aviation agreement with the British government that began earlier this week?

A: In their meeting in London on April 19, Transportation Secretary Federico Pena and his U.K. counterpart, Secretary of State for Transport John MacGregor, confirmed that the United States and the United Kingdom have a common aim of liberalizing the air services agreement. Achievement of that goal will result in the public having an even wider choice of airlines, routes and fares.

Negotiations will begin in London on May 5. As Secretary Pena stated in approving the first phase of British Airways' investment in USAir, we must eliminate the Agreement restrictions that undermine competition which limits U.S. carrier access to British markets. We hope that we can reach the new agreement within a year. My Administration is committed to ensuring that our domestic airlines have a level playing vis-a-vis foreign carriers, and I'm pleased that our talks with the British have gotten off to a promising start.

Transportation (cont.)

Q: When do you plan on naming the members of the Airline Commission? What do you think will come out of the commission?

A: On April 7, I signed the bill establishing the Commission. The law provides for 15 voting members. I will be appointing five members, including the Commission Chair. The House and Senate will be appointing five members each. I am working with the leadership of both branches to complete the appointments, and we will announce our selections soon.

The Commission will have 90 days to complete its work. I expect it to develop both short and long term recommendations for ensuring the financial health and competitiveness of our airline and aerospace industries. Both are vital to the U.S. economy and to our competitiveness in the global marketplace. Without prejudging the Commission's findings, there may be actions that we in government can take that could strengthen competitiveness. At the same time, there may be actions which the industry could take. I would expect the Commission to explore both avenues.

In addition, on Wednesday Secretary Pena announced a new international aviation interagency working group to be comprised of representatives of DOT, USTR, Commerce, State and the NEC. The working group will evaluate the Commission's recommendations to help develop a long-term strategic policy for international aviation. I also expect that the commission's recommendations will be useful to the working group in shaping and integrating international trade policies and strategies.

Q: Your administration has taken a pretty hard line on our aviation negotiations with foreign countries. Doesn't this approach run the risk of backfiring and causing international aviation gridlock?

A: This administration will vigorously defend the rights of U.S. carriers abroad. We believe that it is important for the U.S. aviation industry that we honor our current bilateral agreements and we expect our bilateral partners to do so as well. If there is a problem, negotiations to seek a mutually acceptable resolution -- not unilateral restrictions on U.S. carrier operations -- are the appropriate response.

By our commitment to moving forward and building on rights that are already in place, we will move toward a more openly competitive global marketplace in which both the U.S. and foreign airlines can compete on a level playing field.

Transportation (cont.)

Q: Can you comment on the General Motors pickup truck recall? Is it a fair decision to force a company in major financial trouble to absorb the cost of the recall?

A: The National Highway Traffic Safety Administration's Office of Defect Investigations conducted a thorough and scientific investigation to understand whether the design of certain General Motors pickup trucks with gas tanks mounted outside the frame rails are defective. NHTSA's office of ODI sent a letter to GM in early April indicating that it determined that the vehicles involved have a safety defect and that GM should recall the trucks. The letter is not a recall order or a formal conclusion by NHTSA that a safety defect exists. GM has until April 30 to submit any additional information it has to show that a safety recall is not necessary.

The priority here is on safety. While we must do everything we can to ensure the strength of GM and protect the jobs its workers, public safety is the primary responsibility of our transportation regulators.

QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE ON ISSUES OF CONCERN TO THE DEPARTMENT OF VETERANS AFFAIRS.

- Q:** Recently, the Department of Veterans Affairs has been involved in a controversy over how to deal with complaints of sexual harassment. House Veterans Affairs chairman, Sonny Montgomery has proposed legislation to create independent VA offices to deal with issues of sexual harassment. Your secretary of Veterans Affairs, Jesse Brown, is opposed to this legislation. Do you, Mr. President, oppose this legislation as well? If so, why? And if not, do you intend to instruct Secretary Brown to alter his position?
- A:** To the extent that any new federal structure needs to be created to address the sexual harassment complaint process — and I am not certain there is such a need — then I agree with Secretary Brown that his department should not be singled out. Nevertheless, Mr. Brown has independently taken many aggressive measures which I think should be given a chance to prove their effectiveness.
- Q:** In an AP story last week, the First Lady indicated that one of the many reforms that may come out of your administration's health care task force is to open veterans hospitals to the public in order to increase access to health care in rural and poor areas of the country. Is this a policy you intend to implement?
- A:** The story was in error. Hillary did not say we are considering opening veterans hospitals to the public and we are not considering such a move. Our veterans hospitals will continue to exist and function for the sole benefit of our nation's veterans.
- Q:** Your budget request for the Department of Veterans Affairs cuts current VA medical research by \$26 million and some 900 jobs. Since you have placed health care so high on your national agenda, does it make sense to impose this kind of cut-back?
- A:** The total budget itself is a collection of tough choices as we attempt to get federal spending under control. At the Department of Veterans Affairs, we have opted to emphasize areas of direct health care services. Although Veterans Affairs will get an additional \$1 billion in next year's budget, much of that increase will be consumed in rising health care costs. VA research activities are important to our veterans and we hope that as time goes on, and as we bring the federal budget and our national health care system under control, we can expand on health care research.

QUESTIONS AND ANSWERS FOR THE PRESIDENT'S PRESS CONFERENCE--USIA

Q: Your consolidation plan for broadcasting calls for Radio Free Europe and Radio Liberty under USIA. There has been a lot of protests from the Board for International Broadcasting. Given the instability of the NIS countries and the good work that the radios played over the past decades, how do you justify the current consolidation proposals?

A: We will continue with the type of broadcasting done by RFE/RL for as long as we deem necessary, even though the organizational aspects may change.

I do support consolidation and the savings that will be reached with consolidation. I have asked an interagency working group to examine the organizational modalities and expect to receive their report within the next couple of weeks.

PRESIDENT'S NEWS CONFERENCE
POTENTIAL QUESTIONS AND ANSWERS
FROM THE DEPARTMENT OF LABOR

THE PENSION BENEFITS GUARANTEE CORPORATION

Q: How concerned is the Administration about the PBGC financial situation?

A: We are committed to keeping the pension system strong for American workers and retirees who count on their pensions. That is why we established a task force to look into the challenges facing the PBGC. Right now, the PBGC is still sound, and it can pay benefits for quite a while. We are looking into developing solutions for the long-term.

Q: Yesterday Congressman Pickle raised the question of whether the White House is delaying a solution to PBGC's problems...are you?

A: No. We are reaching out to those with a stake in this matter, weighing the competing considerations and developing a long-term solution as soon as possible. Secretary Reich has appointed an inter-agency task force which includes Labor, Treasury, OMB, Commerce and the NEC. The Labor Secretary also acted quickly to appoint the new Executive Director of the PBGC, Martin Slate.

Q: Is the PBGC going to be another S&L crisis?

A: There are clear differences in scope and magnitude. Pensions as a whole are sufficiently funded, and concern is isolated to a few areas.

EMERGENCY UNEMPLOYMENT COMPENSATION

Q: The stimulus legislation includes funding for extended unemployment benefits through October 2, 1993. When will extended benefits run out if this legislation is not passed?

A: The Department of Labor has begun to advise states that beginning the week of April 26, extended unemployment claims may end for anyone who filed a compensation claim after March 6.

Q: How many people could be affected?

A: An estimated 500,000 Americans will be affected initially if these extended benefits are interrupted, and that number will grow by about 60,000 each week the interruption continues.

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NATIONAL SKILLS STANDARDS BOARD

Q: An education reform bill was sent to the Hill on Wednesday which included a provision to promote the development of voluntary national skills standards. Is the government going to be in the business of mandating certain level of skills in the private sector?

A: No. The Educate America Act will establish a National Skills Standards Board which would identify essential occupational skills and create a voluntary system of standards. The movement for national skills standards must be driven by, and accepted by, all the elements of the private sector -- business, labor and educators. Together they need to develop these standards, and only if they see these standards as relevant will they work.

BUREAU OF LABOR STATISTICS

Q: Your Labor Secretary was criticized last week for using creative accounting regarding February's employment data, using an inappropriate household survey to point out that 90% of that month's job growth was in involuntary, part-time jobs. Was this so that the figures would encourage political support for your stimulus package?

A: Secretary Reich and his chief economist stand by the numbers they used as accurate. The larger issue is that we are in a jobless recovery, and no one disputes the fact that there are not enough full-time jobs being created for a healthy economy. This goes beyond statistics and beyond rhetoric. It is a serious problem.

It is my understanding that both the monthly employment data and the data from the household survey, which Secretary Reich and his chief economist referred to, are legitimate indicators. It is the best data available to explain the jobless recovery, and their calculations were legitimate. Their only "mistake," as I believe the chief economist called it in the New York Times article, was that they wished they had looked at the involuntary part-time jobs number as a long-term trend, and not as a blip in the monthly data.

U.S. Policy Toward Ukraine

Q: Why is the U.S. ignoring Ukraine when there are so many nuclear weapons on its territory?

A: -- Ukraine is a clear priority for this Administration. President Kravchuk was among the first leaders I called after coming into office.

-- I told him, as I told Foreign Minister Zlenko during his visit to Washington in March, that we look forward to a broad and rich relationship with Ukraine. I see a great deal of potential, particularly in the prospects for our long-term economic cooperation.

-- In May, I will be sending Ambassador Strobe Talbott to Kiev to talk about this future with the Ukrainian leadership, in government and parliament. Kiev will be Strobe's first stop on a 10-day trip to the Newly Independent States.

-- At the same time, however, I have to stress the continued importance we place on Ukraine living up to its commitments under the Lisbon Protocol, to ratify START and accede to the NPT.

Q: Why did you refuse to see Prime Minister Kuchma when he wanted to come to Washington?

A: -- Prime Minister Kuchma was invited here on a private visit, during a busy period for me. I will look forward to meeting him at a time that's better for both of us.

Bosnia

Q: Why is the U.S. immobile on Bosnia? What are you doing about the continuing Serb aggression?

A: -- The conflict in Bosnia is among the most complex anyone has ever faced. Deeply rooted hatreds have been fertilized with the blood of thousands. Bringing peace to this region will require the full effort of the international community.

-- The situation in Bosnia is among my top foreign policy priorities. At the outset of my Administration, we announced a comprehensive initiative that we have been pursuing actively.

-- We sought, and won, passage of a No-Fly Zone enforcement resolution, a resolution calling for the establishment of a war crimes tribunal, and a comprehensive sanctions resolution to demonstrate to the Serbs that their aggression has a high cost.

-- The recent events on the ground in Bosnia clearly show that the Serbs are defying the will of the international community. In view of their continued aggression, we have undertaken a thorough-going review to examine tougher steps to take to help end the conflict.

-- I and my advisers have been in touch with world leaders and with leading members of Congress on this crisis. No final decisions have been made.

-- The Serbs should be under no illusions; we condemn what they have done and are doing in Eastern Bosnia, and we are prepared to consider stronger actions if their blatant disregard for human life and the rule of law continues.

Q: In today's New York Times, the lead story reveals that a number of State Department officials who follow the situation in the former Yugoslavia very closely have registered strong views with the Secretary of State that the course the Administration is following will only lead to the destruction of Bosnia. What do you make of this policy revolt?

A: -- This isn't a policy revolt.

-- The issues raised by these officials in the recognized dissent channel process have been under full discussion already in the Administration.

-- The Secretary welcomed their views, as you might expect that he would as part of a thorough-going policy review.

-- We have listened to many views during the process of formulating our policy on the terrible situation in Bosnia. That process continues as we evaluate our options and coordinate with the international community; no decision has been made.

Q: What about Madeleine Albright's letter calling for military action? How can you ignore so many of your foreign policy advisors' suggestions?

A: -- Ambassador Albright is one of my key foreign policy advisors and her views are expected to be expressed. I won't get into a discussion of any particular correspondence.

Q: What is the situation on the ground in Eastern Bosnia? How can the West just stand by while the Serbs continue their ethnic cleansing?

A: -- A cease-fire is in place in the area of Srebrenica. The U.N. forces that have moved in there are playing an important role in helping to maintain that cease-fire and get additional aid in.

-- The U.S. is continuing its air drops and we have been in touch with allies and others to help ensure that the operation does not run short of supplies.

Q: What is the West doing about the Serb's unwillingness to negotiate in good faith?

A: -- Active enforcement of the No-Fly Zone over Bosnia sends the message that the Security Council will back up its resolutions.

-- The recent passage of the U.N. Security Council Resolution (820) was an important step in tightening sanctions dramatically on Serbia.

-- Most transshipment through Serbia will be banned, as will most services, and Serbian controlled financial assets abroad will be frozen.

-- Additionally, I have been in touch with Prime Minister Major of Great Britain and President Mitterrand regarding next steps. We all agree that the wanton killing simply cannot continue.

-- I have just sent Mr. Leon Fuerth, National Security Adviser to the Vice President, to discuss with our allies ways in which we can act swiftly to enact the U.N. resolution and close loopholes. We're aiming for the complete isolation of Serbia.

Q: How will the U.S. react if the violence in Eastern Bosnia resumes?

A: -- I won't address that hypothetical situation, but will stress that we continue to follow events in Bosnia very closely and have not ruled out any options.

Q: If the U.S. were to take stronger action, do you need additional authorization by the U.N.?

A: -- We will ensure that any action we take will be consistent with U.N. resolutions. We will seek additional action in the U.N. if it is required.

Q: How about consultations with Congress?

A: -- I and my advisers have been in touch with Congressional leaders on the Bosnian situation to receive the benefit of their thinking. We will, of course, keep them informed as we reach decisions.

Croatia: Tudjman Visit

[Background: Croatian President Franjo Tudjman, who you met Wednesday, has been criticized for making anti-Semitic statements, most notably in his 1988 book Wasteland: Historic Truth. Among these reportedly are: only 900,000 Jews died in the Holocaust, Jews ran a concentration camp in Croatia during World War II, and that he is thankful that neither he nor his wife are Jewish. A Tudjman spokesperson claims that his works were mistranslated.]

Q: How come you met with Croatian President Tudjman?

A: -- President Tudjman, as well as other European leaders, was invited by the U.S. Holocaust Memorial Council, a private entity chartered by Congress.

-- I saw him as part of the reception we held for all heads of government visiting for the opening.

-- I expressed to him our concerns about the current fighting between Bosnian Croats and Bosnian government forces.

Q: But how could you justify seeing someone who has referred to Israel as a "Judeo-Nazi state?"

A: -- I find those comments abhorrent.

Cuba

Q: Mr. President, one of the last vestiges of Communism in the world is Cuba. Fidel Castro said in a recent interview that he would be willing to meet with you. What is your policy toward Cuba and would you be willing to meet with Castro?

A: -- As I have said before, I continue to believe that the Cuban people have a right to freedom and democracy. I would like to see free elections under international observation as soon as possible. We would support such elections and accept the outcome, as provided for in the Cuba Democracy Act.

-- I would be happy to meet with the leaders of a free Cuba and hope that day will come soon. I see no point to a meeting with Fidel Castro, who has denied the Cuban people basic freedoms and rights for over thirty years.

Q: What about Russian assistance programs for Cuba?

A: -- We understand that the Russians may be considering concessional assistance for certain projects that the former Soviet Union had initiated, including support for a nuclear power facility under construction.

-- We have expressed our concern about such assistance. To date, it appears that construction has not resumed on this project.

Q: What about the relationship between Russia and Cuba? Is Russia still subsidizing trade with Cuba?

A: -- The Russians have told us that they are not subsidizing trade with Cuba. We have no evidence that such trade is being subsidized by the Russians.

Q: Are there still Russian troops in Cuba? If so, how long will they remain?

A: -- President Yeltsin confirmed at Vancouver that the process of returning Russian troops to Russia has been initiated, and that his government is preparing plans for removing those that remain.

Q: I understand Cuba suffered major damage from a storm several weeks ago and has appealed for international assistance. Are you opposed to such assistance?

A: -- We will not oppose humanitarian assistance to Cuba provided by the United Nations or third countries.

-- In accordance with the Cuba Democracy Act, Americans may provide humanitarian assistance if the recipient is not the Cuban government, but rather an individual or non-government organization. I support the CDA and have no problem with such assistance.

Haiti

Q: What is the U.S. doing to get the Haiti talks back on track?

A: -- I do not want to comment in detail on the negotiations. I have confidence in UN/OAS Representative Caputo and in our own Special Representative Ambassador Pezzullo. They know that I am committed to the restoration of constitutional government and the return of President Aristide to Haiti.

-- We have made that crystal clear to the current military leaders in Haiti.

-- I believe the negotiations will succeed. We will not back off from our commitment to the Haitian people.

-- We will not accept any dilatory tactics to derail this important process.

-- In recent days, we have made very clear to the de facto authorities and their supporters in Haiti that the status quo is unacceptable.

-- All Haitian parties must come together to ensure that the talks move ahead quickly and seriously.

Q: Is the U.S. prepared to institute tougher sanctions against Haiti if the negotiations remain stalled?

A: -- We already have tough sanctions in place against Haiti. In addition, we have made it clear that we will take stronger measures against anyone seeking to stall the negotiating process.

-- As I said, I am confident that the talks will continue and that they will be successful.

Haitians at Guantanamo Bay

[Background: There are now 181 Haitians remaining at Guantanamo Bay, down from about 267 when you took office. About 36 have been admitted due to pregnancy, medical or diagnostic problems that could not be treated at Guantanamo, or other medical/humanitarian reasons. About another 50 were admitted when you chose not to seek a stay of a District Court judge's order mandating "adequate care" for those who had suffered significant deterioration of their immune system. The Attorney General complied with the order by allowing the 50 to come to the U.S.]

Q: What do you plan to do about the Haitians remaining at Guantanamo Bay, Cuba?

A: -- There are now 181 Haitians remaining at Guantanamo Bay.
-- This is a complicated and compelling issue that is under review.
-- It must be resolved in a manner that meets the humanitarian needs of the Haitians without creating serious problems for severely overburdened state and local health care facilities.

Iran

Q: What is your view of Iran?

A: -- Iran's behavior on a number of important issues puts it outside the family of nations. It sponsors terrorism and assassination, it supports extremist violence in Egypt and elsewhere, it violently opposes the Middle East peace process, and it is seeking nuclear weapons. We and our allies need to contain the Iranian threat.

Q: Are you prepared to allow the sale of civilian aircraft to Iran?

A: -- This issue is under review in the administration, together with other aspects of our policy towards Iran.

Iraq

Q: Are you softening your approach to Iraq and Saddam Hussein?

A: -- There is no softening of our approach to Iraq. We insist that Iraq comply fully with all UN resolutions. It is inconceivable that Saddam Hussein's regime will ever meet the standard of behavior established in the UN resolutions. We want to make sure that once Saddam is gone, however, his successors also comply fully with the UN resolutions.

Q: Have you cut the CIA budget to overthrow Saddam?

A: -- I won't discuss intelligence issues but as I just said, we are not softening our policy on Iraq.

Libyan Sanctions

Q: You promised you would press for an oil embargo against Libya. When the issue came up for review on April 8 at the UN did Ambassador Albright press for additional sanctions?

A: -- We are convinced that Libya will not comply with UN Security Council Resolution 731 and 748 without additional sanctions.

-- On April 8 the UN Security Council voted unanimously to continue the current sanctions. The US representative, Madeleine Albright, joined by England and France, issued a strong warning to Libya that if they failed to comply with the UN resolutions soon, we will press for additional sanctions, including oil.

-- Last week, Secretary Christopher met with his British and French counterparts at the G-7 meeting in Tokyo and they agreed to begin immediately to work out the details on how best to proceed with additional sanctions.

Pakistan

Q: What is your reaction to Pakistani President Khan's decision to dissolve parliament and fire his Prime Minister?

A: -- We hope all parties there will act in a manner consistent with the democratic process.

-- We hope that the elections scheduled for July will occur in a free and fair manner.

Resumption of Middle East Peace Talks

[Background: The Middle East peace talks will resume in Washington on April 27. This represents a fulfillment of your pledge to ensure continuity in the peace process.]

Q: Do you think the peace negotiations can make progress?

A: -- I welcome the announcement of resumption of negotiations. I have repeatedly stressed my commitment to continuity in the Middle East peace talks.

-- Our objective now should be to make 1993 the year of a breakthrough to peace in the Middle East. The United States will be a full partner in this process. We are dedicated to demonstrating that the negotiations can produce early results.

[Background: The Madrid terms of reference exclude the participation of East Jerusalem residents in the talks. Hussein, however, also has a residence in Ramallah. We suggest you avoid discussion of such distinctions.]

Q: Why is Faisal Hussein now on the delegation? Isn't this a change in the Madrid terms of reference?

A: -- The United States proposed that Mr. Hussein join the Palestinian delegation and the parties did not object.

-- We hope this and other steps that will be taken will help the parties make rapid and significant progress in the negotiations.

-- (If pressed) We have not changed the terms of reference.

Q: Isn't Hussein an East Jerusalemite?

A: -- He is a Palestinian leader who helped reach the agreement to resume talks on the 27th.

Q: Have we changed our policy on Jerusalem?

A: -- No. Nor have we changed our position on any matter of substance in the negotiations which led to the resumption of talks.

Q: Was Arafat helpful in this process?

A: -- A lot of parties played helpful roles. I am not going to go into details, except to say that we commend the parties for taking the decision to return to negotiations.

Q: Will the Israelis agree to resume the talks on April 27 as suggested by the Arabs? Have all parties formally accepted to return then?

A: -- All of the parties, including the Israelis, have agreed to resume the talks on April 27.

Q: Can you confirm that you have proposed the talks be conducted continually and no longer in rounds?

A: -- The Secretary of State has proposed that talks be held on a continuous basis and we are in the process of consulting with the parties.

-- We believe that the concept has merit and could help advance the process.

Q: Did the U.S. secure Saudi funding for the PLO?

A: -- No. We did not secure funding for the PLO. We believe it is helpful to encourage Saudi Arabia and others to help alleviate the economic difficulties Palestinians are experiencing in the Territories.

Q: Do you plan to restore the U.S.-PLO dialogue?

A: -- We have no plans to resume the dialogue with the PLO. Our policy on this remains unchanged. Palestinians are represented by their delegation at the negotiating table in the peace talks. It is that direct dialogue between the parties to the Middle East conflict that should be the focus.

Resignation of U.S. Ambassador to Israel

[Background: The Department of State will announce your acceptance of Ambassador Harrop's resignation today. The following Q and A is for contingency use if the announcement is made prior to your press conference.]

Q: Why has Ambassador Harrop been replaced? Were you dissatisfied with his performance?

A: -- Ambassador Harrop, along with all other Ambassadors, submitted his resignation on January 20. He was informed some time ago that I had decided to accept the resignation. The timing of his departure was a matter of mutual convenience.

-- Ambassador Harrop has had a long and distinguished career and I understand he will be retiring. My decision was purely a matter of having my own representative in this key post.

Accelerating START Deactivations

Q: What do you mean when you say "deactivating" nuclear strategic systems?

A: -- By "deactivating," I mean the removal of warheads from missiles.

Q: What about getting started with actual elimination of systems?

A: -- The United States has already started the process of beginning physical elimination of some U.S. launchers and heavy bombers. Elimination of silos, submarines, and bombers will necessarily lag somewhat behind the deactivation schedule, though.

Arms Control and Disarmament Agency (ACDA) Status

Q: There is continuing uncertainty over your plans for the Arms Control and Disarmament Agency. Is it true that you plan to dissolve the agency and fold it into the State Department?

A: -- We are now engaged in a review of ACDA's future.

-- In deciding how best to organize the Government in the areas of arms control and nonproliferation, one of our key considerations will be the high priority that I place on both these areas.

-- We hope to have our review completed shortly. Meanwhile, ACDA continues to play an important role in interagency deliberations as we review our policies in these areas.

Detargeting

Q: When do you expect to complete the review of confidence building measures?

A: -- The review I have tasked is meant to be comprehensive. These are complex issues that require detailed analysis. I expect it will take a few months to complete.

Q: Why can't you say now that we will no longer target Russia?

A: -- Detargeting, by itself, is only one step. While this should send an important symbolic signal, it is very difficult if not impossible to know whether or not one nation is targeting its missiles at another, and missiles can be targeted or retargeted within a very short period of time.

-- That's why I want to review this issue in the broader context of such related questions as alert rates and readiness posture to see what makes the most sense in terms of enhancing strategic stability.

U.S. Nuclear Testing Program

Q: Have you decided whether or not to resume U.S. nuclear testing when the moratorium expires on July 1, 1993?

A: -- No.

-- I support a phased approach to a CTB but have not made any decisions on actual tests.

-- Last year's congressional compromise on this issue allows the U.S. to phase out nuclear testing between 1993 and 1996 as it simultaneously pursues a Comprehensive Test Ban, with the goal of attaining a CTB by 1996.

-- Our review of these issues is in its final stages and I expect to receive recommendations from the appropriate Departments in the next few weeks.

Chemical Weapons

Q: The Army released a report Tuesday that indicates there may be a lot of old buried chemical weapons around the U.S and overseas. How big is the problem and is there a serious health or safety problem?

A: -- The Army report identifies possible sites where old chemical weapons materiel may be buried, and most of these sites are located on military installations. The report emphasizes that the Army has extensively studied the problem, and believes there is no immediate threat to public health or safety.

-- The Army has a detailed program already in motion using specially trained personnel to safely and effectively clean up all the sites. We will not know the precise extent of the problem until the Army has had a chance to conduct in-depth investigations at each site.

-- We must take every necessary step to ensure the public's safety.

Q: How long will it take to clean up all the sites, and how much will it cost?

A: -- The Army will have detailed cost and schedule estimates after it has had a chance to investigate each site. We will ensure that all sites are completely cleaned up in accordance with applicable environment and health laws. The public will be kept informed and involved in all decisions.

Defense Finance and Accounting Service (DFAS) Consolidation

Q: When Secretary Aspin made his base closure recommendations last month, he put off the decision on consolidating the defense finance and accounting centers. When will he make an announcement regarding these new centers?

A: -- Secretary Aspin rejected the approach that the Bush Administration had established for consolidating the defense finance and accounting centers because he felt it put an unfair burden on the local communities.

-- The Secretary is currently reviewing options on how best to proceed with the DFAS selection process and consolidation. I expect he will be making a statement on how he intends to proceed in the near future.

Gays in the Military

- Q: At your meeting in the White House last Friday with gay rights leaders, you reiterated your commitment to lifting the ban on homosexuals in the military. Has there been anything in your discussions with military leaders that leads you to believe that they are now more willing to go along with this policy?
- A: -- The Department of Defense has begun its review of lifting the ban on homosexuals in the military and will report its findings to me on July 15. This review is looking carefully at options for drawing a distinction between status and conduct.
- I look forward to reviewing the DoD report when it is submitted on July 15.
- Q: The Senate Armed Services Committee has held hearings and conducted field interviews on the topic of homosexuals in the military. The House Armed Services Committee will begin their hearings in a couple of weeks. Are you planning to coordinate with Congress on this issue?
- A: -- The initial Defense Department reviews will be completed by June 4. Secretary Aspin will consult with Congress and other interested groups.
- Q: Do you expect Congress to support you on this policy?
- A: -- I have worked closely with Senator Nunn and others on this issue and look forward to developing a procedure that Congress will support.

Tailhook Investigation

Q: What is the status of the Tailhook investigation? Are the results being held up by the absence of a Secretary of the Navy?

A: -- The Department of Defense plans to release the results of the Tailhook investigation today.

-- The Acting Secretary of the Navy, Admiral Frank Kelso, has assigned two senior military officers to act as Convening Authorities to handle any charges that may result from this investigation.

-- The new Secretary of the Navy will oversee the implementation of actions recommended in the report.

Women in Combat

Q: Secretary of Defense Aspin has said that he believes that women should be allowed to fly jet aircraft in combat. What is your position on allowing women to fly aircraft in combat or be assigned to Navy combatant ships?

A: -- Secretary Aspin is reviewing the issue of women in combat in order to provide a recommendation that is consistent across Service lines.

-- I look forward to reviewing his recommendations in the near future.

Biodiversity

Q: Have the industry and environmental groups been consulted on this approach to signing the treaty?

A: -- Yes. We have worked with leaders in the pharmaceutical and biotechnology industries and in the environmental community. Some of them have played a very active role in helping us to understand the key concerns of the industry and in helping us find a way to sign the treaty that also protects the patent and other rights of our industry.

Q: Can you release the draft interpretative statement?

A: -- No, we're not releasing it at this time, because it is the subject of discussion with other governments. We will release it as soon as we have completed those discussions.

Q: When will you submit the treaty to the Senate for ratification?

A: -- As soon as we complete the discussions with other governments, so that we have an approach to an interpretative statement that we feel will have broad support.

Q: How long is that going to take? Will it be done in 1993?

A: -- We have already begun these discussions. We want to complete them soon -- and certainly expect it well before the end of the year.

Climate

Q: What was the Bush administration policy?

A: -- Last June at the Earth Summit, most other nations -- including all of our major industrial partners -- were prepared to make a firm commitment in the Climate Change Convention to reduce carbon dioxide and other greenhouse gases to their 1990 levels by 2000. But the Bush administration refused to agree, and insisted that this be only a goal.

-- I said last year that the prior administration's policy was wrong, that the U.S. should make that commitment. Our country puts more of these emissions into the air than any other, and if we want other industrial countries and developing countries to work on this problem with us, we have to take the lead.

Q: What commitment did you make yesterday?

A: -- The United States is committed to reduce its emissions of greenhouse gases to 1990 levels by 2000. I have instructed my administration to prepare a cost-effective plan by August to accomplish this. The plan will be one that can continue the trend of reduced emissions. It will take advantage of the best and most energy-efficient technology that America has to offer.

Q: What will the greenhouse commitment cost?

A: -- The economic and environmental policies that our administration has already announced will go a long way toward meeting this commitment.

-- We recognize that more needs to happen, but we are confident that this can be done in a cost-effective way. The National Academy of Sciences and Congress's Office of Technology Assessment, among others, have shown that we can reduce carbon dioxide emissions at little or no net cost. The investments in new technology will be paid back by the fuel savings.

-- My Administration will prepare a plan by August that translates the findings of studies such as these into concrete actions. Just as we did on biodiversity, we will be seeking the ideas of those leaders in business, labor, environmental groups, and Congress who know where the opportunities are to cut emissions, save energy, and create new jobs and new business opportunities.

Intelligence Budget

Q: Do you plan to live up to your campaign pledge and cut intelligence spending by \$7.0 billion?

A: -- Our budget request will reduce the intelligence budget by \$7.0 billion between fiscal years 1993 and 1997 when compared to the Bush administration's proposal for the same period of time.

-- Jim Woolsey, Les Aspin and I are committed to this course of action. And I believe that we will be able to identify additional savings.

-- We plan to consolidate costly collection systems, streamline operations and eliminate costly and redundant activities that may exist in military and civilian intelligence programs. This consolidation will incur some initial expenses.

-- We inherited the priorities of another era. We have begun a process to identify intelligence priorities that will help us meet the challenges of a new era.

-- This will not happen overnight. But we are committed to both real reductions and maintaining a well-grounded intelligence capability to help us meet the challenges we face.

Encryption

Q: Your Administration has announced a new initiative with regard to encryption products that it claims will improve the privacy of telephone communications while at the same time meeting the needs of law enforcement. Are the privacy rights of Americans going to be jeopardized by this initiative?

A: -- Absolutely not. First of all, our approach is voluntary.

-- We will give our citizens and business community the opportunity to buy an encryption product that is more secure, more convenient and less expensive than others readily available today.

-- While encryption technology can help Americans protect business secrets and prevent the unauthorized release of personal information, it can also be used by terrorists, drug dealers, and other criminals.

-- Our approach is to use the best technology available to strike a good balance among competing needs.

-- We are providing law enforcement with no new authorities to access the private conversations of Americans.

-- I am committed to policies that protect the rights of all Americans to privacy while also protecting them from those who break the law.

International Broadcasting

Q: With so many Eastern European leaders in Washington, did you reconsider your decision to close Radio Free Europe and Radio Liberty?

A: -- First of all, I remain committed to U.S. broadcasting to Eastern Europe and the former Soviet Union, and those types of broadcasts will continue.

-- We are also looking at ways to modernize our international services to make them more effective and to save some money.

-- I assured the leaders that my administration will continue broadcasts to their citizens.

Chile

Q: You have said that you support a free trade agreement with Chile. Why aren't you requesting fast track authority for any bilateral agreements? Is Chile next in line for a trade agreement after the NAFTA?

A: -- Chile deserves a great deal of credit for taking some extremely significant steps to liberalize its economy. In part because of these steps, U.S. exports to Chile were up 33 percent last year.

-- I continue to support the negotiation of a free trade agreement with Chile. Done properly, such an agreement could be in the interest of both of our nations. Chile is also a praiseworthy model of democratic efficiency and social justice.

-- While I hope to negotiate bilateral arrangements with other countries after the NAFTA, I want to focus my request for fast track authority on the Uruguay Round at this time.

EC Procurement Dispute

Q: Ambassador Kantor and Sir Leon Brittan settled part of a dispute with the EC over government procurement, yet the United States is still retaliating. Is this half a trade war? Or are you trying to paper over U.S.-EC differences in order to focus on problems with the Japanese?

A: -- I am pleased with the outcome of U.S.-EC discussions on the procurement issue. Our U.S. manufacturers won access to the EC's \$20 billion market for heavy electrical equipment -- a market that had been closed. The affected U.S. companies believe this is a great opportunity.

-- At the same time, the U.S. and the EC will continue to negotiate over other outstanding issues. As Ambassador Kantor explained, the U.S. will move ahead with measured retaliation over barriers that remain in the telecommunications sector.

-- There is no link between this issue and our trade agenda with Japan. The U.S. will work to reduce trade barriers wherever we find them.

NAFTA

Q: You talked tough about the NAFTA supplemental agreements during the campaign. But now it looks like you are backing down in the negotiations. How can you hope to get a weak agreement through Congress?

- A: -- My position on NAFTA is unchanged. I firmly believe that a NAFTA agreement, coupled with strong and effective supplemental agreements, can be an important component of a stronger and more competitive U.S. economy. A good agreement must include tough enforcement provisions with real teeth.
- You can see the potential of the NAFTA by looking at what we've already gained. Since Mexico began to liberalize its economy in 1986, we've gone from a \$6 billion trade deficit with Mexico to a \$5-plus billion trade surplus. That improvement in the U.S. trade balance has created over a quarter of a million new American jobs. The NAFTA can help lock in that change.
- As for the specifics of the U.S. position, I do not intend to do our negotiating in a press conference. Let me just say that our negotiators will promote U.S. interests.
- I believe Congress wants the same things from a NAFTA that I do. If we succeed in putting together a strong NAFTA package, I am confident it will win support in Congress.

Super 301

Q: During the campaign, you said that you supported legislation to renew Super 301. Why aren't you including it with your request for fast track extension?

A: -- I support extension of Super 301, and I will work with the Congress to find the best opportunity to extend it. But given the importance of jump-starting the Uruguay Round, I want to avoid a protracted Congressional debate over other trade measures at this time.

-- Super 301 is only one tool in our trade arsenal. I won't wait for new legislation before I place a high priority on expanding export opportunities for U.S. businesses. I'm doing that now.

Trade Policy Making

Q: Mickey Kantor is supposed to be your Trade Representative. Yet State and Treasury co-chair the working group on Japan, the NEC, with the NSC, are said to have the lead in making general trade policy, and Laura Tyson speaks frequently on the subject. Who's in charge of your trade policy?

A: -- Ambassador Kantor is our U.S. Trade Representative and he is the quarterback of our various trade negotiations.

Uruguay Round

Q: When will you send to the Hill your request for a renewal of fast-track authority to complete the Uruguay Round? Hasn't the Round taken a back seat to NAFTA?

A: -- The completion of a good Uruguay Round agreement remains a high priority of this Administration.

-- A successful conclusion of the Round is essential to strengthen the world trading system and promote global growth.

-- One-third of the world's trade is not currently covered by GATT, including services. U.S. industries lose \$60 billion each year due to inadequate intellectual property rights protection.

-- A successful Uruguay Round would help remedy these problems. That is why I announced on April 9 my intention to seek a short renewal of fast-track authority to complete these talks by December 15.

-- We are in the process of consulting with Congress as to the appropriate timing to submit our request for fast-track renewal.

Autos/Auto Parts

Q: Last year, Japanese auto producers agreed to buy more auto parts, increase the local content of cars made in U.S. plants, and import more cars into Japan. (These commitments grew out of Bush's ill-fated Japan trip.) What are you going to do, either to enforce these undertakings or as part of a new approach, to aid the U.S. auto industry?

A: -- We take seriously the pledges of Japanese auto manufacturers and will look to them to fulfill their plans.

-- Beyond that, I am deeply concerned about the competitiveness of the U.S. auto industry and the openness of foreign markets to our autos and auto parts.

-- It is the responsibility of our companies to produce competitive goods, and they have.

-- It is now the obligation of other countries, including Japan, to open their markets to competitive U.S. goods.

Multi-Purpose Vehicles

Q: Is the Administration going to increase the tariff on multi-purpose vehicles to 25 percent? When are you going to make a decision?

A: -- The Department of the Treasury is currently reviewing this matter, and we will wait for that review to be completed before any decision is taken.

-- Minivan reclassification raises broader questions about trade opportunities for autos and auto parts. Sixty percent of the U.S. trade deficit with Japan is comprised of autos and auto parts. Our industry has taken the difficult steps necessary to produce competitive goods. Japan must open its market to competitive U.S. goods.

Negotiating Framework

Q: The new negotiating initiative sounds identical to initiatives past Administrations have pursued (e.g. MOSS talks, SII). How is this one different?

A: -- The exact content of this initiative will be worked out in the next three months, but several things fundamentally are different. First, we have zeroed in on the need to advance the economic agenda in our relationship. Second, for the first time in 12 years, the U.S. is honestly addressing its budget deficit -- and that puts us in a stronger position to request action from Japan. Third, I will remain personally committed to these talks and will stay actively involved.

Q: How will the framework discussions proceed? Who will lead them from the American side?

A: -- The two sides will meet in the near future to discuss schedule and approach. They will then move quickly to talks over the specific framework. On the U.S. side, the economic agencies -- Treasury, USTR and Commerce -- will play leading roles.

-- We view the U.S.-Japan relationship as having three, interconnected parts: economic issues, political/security partnership, and cooperation on global problems. Consequently, there must be a great deal of interagency coordination, as there was in the preparation for the Miyazawa visit.

Supercomputers

Q: There is evidence that Japan is not living up to its commitments under the Supercomputer Agreement. What do you intend to do about it?

A: -- U.S. supercomputer producers are the most competitive in the world. However, while we hold 84 percent of the European public procurement market, we have only 11 percent of the Japanese market.

-- As I told Prime Minister Miyazawa, our companies have the responsibility to produce competitive goods, but when they do so, Japan has the obligation to open its markets.

-- We are now considering what action to take concerning the Supercomputer Agreement. We will be looking very closely at the upcoming procurements, and we are looking for measurable progress -- both in terms of process and in terms of results -- under that agreement.

Trade Results vs. Managed Trade

Q: At your meeting with Prime Minister Miyazawa last week, you said you wanted to see results. The Japanese equate results with managed trade. How can you be for results and against managed trade?

A: -- I told the Prime Minister that I am concerned about Japan's substantial and long-lasting trade surplus with the U.S. He recognized that we have engaged in many negotiations, some of which have resulted in improved market access, some of which have not. Changes in procedures and superficial barriers are not sufficient if more intractable barriers remain that deny sales to U.S. firms.

-- We think that it is appropriate that the U.S. insist on measurable progress when it comes to trade agreements with Japan, but that does not mean managed trade. I support free trade. We will be looking for measurable progress to make sure that our agreements with Japan produce competitive opportunities for American business in Japan.

Q: Does this mean every future agreement will be like the semiconductor agreement?

A: -- Not necessarily. There are many ways to measure progress other than market share (e.g., increased design-in opportunities, number of foreign bids awarded, number of distribution outlets carrying foreign products). In still other cases, specific measurements might not be necessary in the agreement at all. Each case is different. It also is important that U.S. companies pursue the market aggressively. We should not be too simplistic about this. But results do matter.

FOREIGN POLICY Qs and As FOR APRIL 23 PRESS CONFERENCE

AFRICA

ANGOLA
SOMALIA
SOUTH AFRICA
SUDAN
ZAIRE

ASIA

CAMBODIA
CHINA: MFN
CHINA: MILITARY BUILD-UP
NORTH KOREA
VIETNAM: VESSEY MISSION

CIS

ARMENIA AND AZERBAIJAN
RUSSIA: APRIL 25 REFERENDUM
RUSSIA: ASSISTANCE
RUSSIA/U.S.: HEU SALES
RUSSIA: MISSILE-RELATED EXPORTS
RUSSIA/U.S.: PEACEKEEPING
RUSSIA/U.S.: SPACE STATION
U.S. POLICY TOWARD UKRAINE

EUROPE

BOSNIA
BOSNIA: FIGHTING BETWEEN CROATS AND MUSLIMS
CROATIA: TUDJMAN VISIT

LATIN AMERICA

CUBA
HAITI
HAITIANS AT GUANTANAMO BAY

MIDDLE EAST

IRAN
IRAQ
LIBYAN SANCTIONS
PAKISTAN
RESUMPTION OF MIDDLE EAST PEACE TALKS
RESIGNATION OF THE U.S. AMBASSADOR TO ISRAEL

ARMS CONTROL ISSUES

ACCELERATING START DEACTIVATIONS
ACDA STATUS
DETARGETING
U.S. NUCLEAR TESTING PROGRAM

DEFENSE ISSUES

CHEMICAL WEAPONS
DEFENSE FINANCE AND ACCOUNTING SERVICE
GAYS IN THE MILITARY
TAILHOOK
WOMEN IN COMBAT

ENVIRONMENT

BIODIVERSITY
CLIMATE

INTELLIGENCE

BUDGET
ENCRYPTION

INTERNATIONAL BROADCASTING

TRADE ISSUES: GENERAL

CHILE
EC PROCUREMENT DISPUTE
NAFTA
SUPER 301
TRADE POLICY MAKING
URUGUAY ROUND

TRADE ISSUES: U.S./JAPAN

AUTOS/AUTO PARTS
MULTI-PURPOSE VEHICLES
NEGOTIATING FRAMEWORK
SUPERCOMPUTERS
TRADE RESULTS VS. MANAGED TRADE

Angola

Q: When will the United States give diplomatic recognition to the Luanda government?

- A: -- Our first priority is to get both sides to end the fighting so humanitarian aid can resume. At the same time, we want the parties to negotiate a long-term solution to Angola's political problems.
- Whatever we do on recognition, and when we do it, will be designed to maximize the chances for peace.
- We are encouraged that the government and UNITA resumed face-to-face talks under U.N. auspices in Abidjan and urge them to negotiate seriously. We hope these discussions will make rapid progress.

Somalia

Q: When will the last U.S. troops be out of Somalia?

A: -- The number of U.S. troops in Somalia was over 24,000 when I took office. By early next month, we expect to have withdrawn all but 4,000.

-- I am proud that the remaining U.S. soldiers will play an important support role in UNOSOM II.

-- Their withdrawal will be worked out with the U.N. and with other nations that are contributors to UNOSOM.

-- I cannot give you a precise date at this point, but I can assure you that I will not keep American soldiers there any longer than necessary.

Q: Are those 4,000 combat troops?

A: -- No, 2,700 are logistics support troops. The remainder are part of a Quick Reaction Force that will be stationed off-shore beginning in the summer.

Q: Many have been critical of the U.S.-led operation in Somalia. How would you characterize the U.S. role in Somalia?

A: -- There is no doubt that the U.S.-led coalition has been a great success. We have eliminated the risk of mass starvation and greatly alleviated the humanitarian crisis we found when we arrived. We look forward to the transition from UNITAF to UNOSOM II, which will take place early next month, and to the continued success of the U.N. in Somalia.

South Africa

Q: What about the death of Chris Hani? Will it disrupt the negotiating process in South Africa?

A: -- Hani's assassination was tragic, but most South Africans recognize it for what it was -- an attempt by extremists to use violence to block the political evolution underway. Some in South Africa would prefer civil war to equality.

-- However, the vast majority of South Africans remain committed to the process of democratization and the multiparty talks have resumed. We will support this process in every way we can.

Sudan

Q: What is being done about the tragic situation in Sudan?

A: -- I am deeply concerned about the crisis in Sudan, where as many as a million people could be at risk of starvation.

-- Both Ambassador Petterson and Assistant Secretary Moose have recently visited the region to assess the needs of those affected.

-- We continue to take steps to ensure that food and medicine is provided to those in need.

-- We will do whatever we can to support the talks that are to take place in Abuja under Nigerian auspices between the Government and SPLA factions.

-- The parties to the conflict must stop using food and the misery of their own people as weapons. Fighting, whether it is between the rebel factions or with the government, prevents relief efforts from taking place and the result is that many more people die.

-- I call on them to negotiate seriously and reach a settlement that will allow the reconciliation and rehabilitation that Sudan so desperately needs.

Zaire

Q: When are you going to get rid of Mobutu?

- A: -- We have made it abundantly clear to Mobutu that we want him to transfer effective power immediately to the transitional government and stop blocking efforts to bring political and economic progress to Zaire.
- He continues to rebuff our efforts, and we are working with other governments to increase the pressure on him.
- For instance, we agree with the European Community's rejection of Mobutu's unilateral appointment of a prime minister.
- Such an appointment violates the democratic process established by the national conference.
- President Mobutu's refusal to permit a genuine democratic transition, contrary to his many promises, will only perpetuate Zaire's political and economic crisis. We will not replace our ambassador to Zaire until Mr. Mobutu allows that process to resume.

Cambodia

Q: Can the Cambodian elections precede as planned in light of the recent fatal attacks on UNTAC personnel and ethnic Vietnamese?

A: -- Yes, we are committed to holding the election in May as scheduled.

-- But we condemn in the strongest terms the cold-blooded attacks on UNTAC personnel and on ethnic minorities.

-- The international community will not be intimidated. We will hold the Khmer Rouge fully responsible for their actions.

Q: What will be done to improve the security of U.S. citizens and other UN personnel serving in Cambodia?

A: -- The U.N. and the main troop-contributing countries in Cambodia are taking concrete steps to enhance the security of U.N. soldiers and election monitors.

-- UNTAC's mandate allows the U.N. soldiers to defend themselves and their mission with force when threatened.

-- We expect UNTAC troops to take all measures necessary within the scope of their mandate to defend the election process.

Q: Should UNTAC's mandate be strengthened?

A: -- UNTAC is over 22,000 people strong -- until recently the largest U.N. peacekeeping force ever contemplated.

-- Under its current Chapter VI mandate, it can and will respond with force in self-defense. But UNTAC was not conceived as a peace-enforcing mission.

-- Any change in its mandate will be a matter for the Security Council to decide.

China: MFN

Q: During the campaign, you spoke out on your concerns over human rights abuses in China and criticized the previous administration for coddling China. China's Most-Favored-Nation (MFN) treatment comes up for renewal in a couple of months or so. How will you deal with that?

A: -- We have no interest in isolating China. China is changing rapidly, growing quickly and, I hope, will be a partner in building a more secure and prosperous world. But enduring progress in our relations must include progress in human rights, trade access, and nonproliferation.

-- As we chart our China policy, my administration is resolved to consult closely with key members of Congress, including on the issue of MFN.

-- Our approach to MFN renewal will depend on steps the Chinese government takes to address these important issues.

Q: What is your reaction to the China MFN bill introduced in Congress on Thursday by Pelosi and Mitchell?

A: -- I share the concerns of the Congress about China's record. In formulating our policy toward China, including the issue of MFN, we will consult closely with the Congress to build a solid bipartisan basis for relations with China.

Q: Will you meet with the Dalai Lama when he visits Washington next week?

A: -- I have great respect for the Dalai Lama as a spiritual leader and one who advocates non-violent resolution of ethnic and nationalist disputes, [i.e., the U.S. does not recognize him as the head of the state of Tibet].

-- We continue to urge Beijing to revive discussions with the Dalai Lama and to address the full range of concerns and issues of the people of Tibet, including human rights abuses.

[If pressed on a meeting]:

-- He will be received at a high level at the White House.

China: Military Build-Up

Q: Do you have any assessments or comments on reports of a Chinese arms build-up that is provoking an arms race in Asia?

A: -- China has a legitimate right to modernize its forces to ensure adequate defense needs. I hope it will limit itself to such forces.

-- However, we are concerned about China's sales of sophisticated military equipment to trouble spots around the world, especially Iran.

North Korea

Q: Why are we not pressing for sanctions against North Korea?
Are the Chinese opposed?

A: -- North Korea's failure to comply with its nonproliferation obligations and its stated intention to withdraw from the NPT are serious concerns to us and to the international community. That failure now has been formally reported to the U.N. Security Council by the IAEA, and North Korea has informed the Council that it intends to withdraw from the NPT.

-- We're consulting closely with other members of the Council about next steps.

Q: Is the U.S. willing to have direct contact with the North Koreans on this issue, as reported today by the New York Times?

A: -- First, let me emphasize that this is an issue between North Korea and the international community, not just the U.S.

-- We have not ruled out appropriate U.S. officials meeting with North Korea, although no such meeting is scheduled. The primary task is, however, to support the efforts of the appropriate international bodies in working for a resolution.

Armenia and Azerbaijan

Q: Have you given any thought to dealing with the possible consequences of a widened war in the Caucasus, particularly the involvement of regional powers such as Turkey, Russia, or Iran in the Nagorno-Karabakh conflict?

A: -- Our negotiator, Ambassador Jack Maresca, has been working tirelessly to bring the parties back to the OSCE-sponsored Minsk Group negotiations in the wake of the recent ethnic Armenian offensive.

-- We believe this is the best way to avoid a widening of the conflict. We are in almost constant contact with Armenia, Azerbaijan, Turkey, and Russia on these matters.

Russia: April 25 Referendum

Q: What do you expect to be the result of the April 25 referendum in Russia, and do you hope it will give Yeltsin a boost?

A: -- I have said many times that it is a good thing that the Russian people will have a chance to speak on Sunday through this referendum.

-- We should not forget what a momentous and positive change this referendum represents from the past thousand years of Russian history.

-- The Russian people are voting on democratic political and market economic reform. That is the best way to ensure their freedom and Russia's integration with the West.

Q: What will the U.S. do if Yeltsin loses the referendum vote? Could you still continue economic assistance?

A: -- I am not going to answer a hypothetical question. Our policy is clear, however: we support reform and reformers and hope to build a close relationship with Russia on that basis.

Q: Has President Yeltsin reached the limit of his political usefulness? Are his days numbered as Russian President?

A: -- President Yeltsin proposed to break the political impasse in Russia by letting the Russian people decide their future at the ballot box in a nation-wide plebiscite on Sunday (April 25). This was a courageous step.

-- He is the leader of the reform movement, and I expect to maintain a close relationship with him based on his commitment to reform.

-- It would be counterproductive for us to comment on the twists and turns of the complex political, legal, and constitutional questions now at issue in Russia.

Q: Many observers criticized the Bush Administration for relying too much on President Gorbachev for too long. Is the Clinton Administration now making that same mistake with President Yeltsin?

A: -- The situation is very different. President Yeltsin remains Russia's first democratically elected President, via the freest and fairest elections in Russian history. He is not opposed by reformers; he represents them.

- As I have noted on numerous occasions, the U.S. strongly supports political and economic reform in Russia and the leading role played in that process by President Yeltsin.
- This Administration is firmly committed to placing our full support behind ensuring that President Yeltsin's reform efforts succeed.
- I intend to continue working with President Yeltsin to build a close and effective partnership between the U.S. and Russia.

Russia: Assistance

Q: How will you fund the \$1.8 billion U.S. assistance program for Russia announced last week? Will you ask for a supplemental?

A: -- I am consulting with Congress on the best way to fund this program. I was in close touch with Congress before announcing this program. We are now exchanging views on how the money should be allocated and how to fund the program.

-- We have made no decision on whether that should be through a supplemental.

Q: Can you give us a breakdown of the \$1.8 billion program?

A: -- This program is designed to build on the \$1.6 billion Vancouver program by expanding our efforts to promote democracy and free markets in Russia.

-- We hope to direct \$1.3 billion to efforts to promote nuclear power safety, expanded energy production, a safer environment, technical assistance, and vastly increased exchanges.

-- We also are discussing \$500 million as a "challenge grant" to a multilateral Privatization Fund to be financed with our G-7 partners.

--- If the other G-7 nations make substantial contributions, then we will together reach our \$2 billion goal.

--- A matching contribution by EBRD and the World Bank would increase the capital available to \$4 billion.

-- This program would assist in privatizing the largest enterprises in Russia -- thereby contributing to our goal of helping to build a free market economy in Russia.

Q: How can you justify aid to Russia when your stimulus package has been defeated and times are tough here at home?

A: -- For America to be strong at home -- to revive opportunity and growth here -- we must be strong and active abroad.

-- Nowhere is our involvement more important than in our policies toward Russia.

-- Russia's struggle to build a free and democratic society is a political miracle, historic in its scope and drama.

- We must act now and do what we can to support the reform process in Russia -- not out of charity, but because it is a wise investment in our own future.
- Our efforts will entail some new costs, but we'll reap even larger dividends for our safety and prosperity if we act now.
- America's taxpayers spent trillions of dollars to prosecute the Cold War; a democratizing Russia means we can reduce that pace of spending and move billions into creating new businesses, new jobs, and a better future for our children.
 - But if Russia falls into anarchy or lurches back to despotism, we would face a renewed nuclear threat, higher defense budgets, and a huge setback for democracy for the world.
- Thus, our ability to put people first at home requires that we put Russia first on our agenda abroad.

Russia/U.S.: HEU Sales

Q: What's the current status of the highly-enriched uranium (HEU) purchase from Russia?

A: -- President Yeltsin and I agreed at Vancouver to try to bring the purchase of highly enriched uranium from dismantled former Soviet weapons to rapid conclusion.

-- We look forward to the prompt resumption of negotiations with Russia to fix the price and the other commercial terms of this purchase.

[IF ASKED]:

-- This transaction will be compatible with the agreement suspending the anti-dumping proceeding against importers of Russian uranium.

-- That agreement has a provision providing for the importation of uranium derived from dismantled nuclear weapons.

Russia: Missile-Related Exports

Q: Are Russian high-technology exports contributing to the proliferation of ballistic missiles?

A: -- The Russians have said that they believe that the transfer of hardware and technology for "peaceful" space-launch programs is permitted under the international Missile Technology Control Regime (MTCR).

-- We have interpreted the MTCR differently and, in accordance with U.S. law, have imposed sanctions against entities in both Russia and India for their involvement in efforts to transfer MTCR-controlled items.

-- We will continue to press for universal observance of the MTCR guidelines and to discuss these matters with the Russians in order to resolve our differences.

-- We need to work with the Russians to find legitimate avenues for their high-technology exports in this and other areas.

Russia/U.S.: Peacekeeping

Q: You have just announced a series of new peacekeeping initiatives with Russia. Why are you doing this?

- A: -- We attach a great deal of importance to U.N. peacekeeping, because it provides additional ways to resolve conflicts that threaten international peace in ways that reduce the cost for each country. The Russians share that view.
- My Administration is actively examining ways to enhance the U.N.'s peacekeeping capability.
- Peacekeeping and peace enforcement are relatively new roles for the U.S. military. By conducting joint training and exercises with the Russians, we will strengthen our ability to support peacekeeping missions approved by the U.N. Security Council. We plan to work with other countries in challenging, but largely non-combat situations, in the field.
- We are also working with the Russians and our other friends on the Security Council to address the institutional, financial and operational challenges the U.N. faces as it tries to support more peacekeepers than ever before. We would like the U.N. Security Council to begin to consider these issues at a Ministerial level meeting scheduled for mid-May.

Q: Does all of this mean that we are shifting our focus away from our traditional allies?

- A: -- No, not at all. Peacekeeping is something that can and should be done by as broad a spectrum of countries as possible.
- We see this as the beginning of what we hope will be fruitful cooperation with many friendly countries that share our commitment to U.N. peacekeeping.

Russia/U.S.: Participation in Space Station

Q: What is the status of Russia's involvement in the space station redesign?

A: -- Russian space officials arrived in Washington this week to participate in the redesign effort.

-- No decisions, of course, have been made about the Russian contribution.

-- Nevertheless, we intend to give full consideration to the use of Russian assets, including hardware that can reduce the station's costs.