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THE WHITE HOUSE

Office of the Press Secretary

Immediate Release October 11, 1995

PRESS BRIEFING
 BY MIKE MCCURRY

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The Briefing Room

2:20 P.M. EDT

MR. MCCURRY: Good afternoon, ladies and gentlemen. Welcome to the White House. Two announcements to begin with: one, Vice President Al Gore will present a series of major policy addresses on the future of the administration's policies toward the Russian Federation. They will begin with a speech at the Commonwealth Club in San Francisco on Friday, October 13th, and the United States Military Academy at West Point on Tuesday, October 17th. Thus sayeth Peggy Willhide, press secretary to the Vice President.

Q On the future of what?

MR. MCCURRY: The future of U.S.-Russian relations. The speech -- I understand the speech Friday in San Francisco will focus more on the economic and technological issues that have been a part of the work that Vice President Gore has been doing with Prime Minister Chernomyrdin. Then the speech on Tuesday will take a longer-range view of the bilateral relationship and also, in a sense, set the stage for what will be an important meeting between President Yeltsin and President Clinton on October 23rd.

Q Where does he do the Tuesday --

MR. MCCURRY: Tuesday is at West Point, U.S. Military Academy.

And the second -- I didn't get a chance to mention this this morning, but I meant to. Late yesterday the President had a 30-minute conversation with German Chancellor Helmut Kohl. They discussed two issues in some depth -- Bosnia, of course, comparing notes on the current situation related to the cease-fire, the progress towards overall peace discussions, and questions related to the implementation force that will be necessary to enforce the peace.

And then, secondly, they also discussed the Middle East

and talked particularly about the importance of establishing a Middle East development bank, both the President and the Chancellor comparing and exchanging views on the importance of the bank, how it should be structured, what lessons could be drawn from a similar type international lending institutions that have operated elsewhere in Europe.

A 30-minute call, roughly 6:00 p.m. to 6:30 p.m. last night.

Q Did he ask him to contribute a certain number of troops? Ask Kohl?

MR. MCCURRY: He did not because there has been no specific request from NATO for contribution of forces yet. As NATO proceeds to finalize plans there -- as you know, based on Ken Bacon's very good briefing on this topic yesterday, the North Atlantic Council has now approved the general stages of an implementation force deployment in Bosnia should there be a peace agreement. We will now wait what will clearly be, according to Ambassador Holbrooke, very long and very difficult negotiations to see if we can achieve a peace settlement. And at that point, if they achieve the settlement, you'd be a lot -- we would be in a position to be a lot more specific about what the troop requirements will be.

But there have been some good general discussions about this at the Pentagon, and, as you know, Ken Bacon said yesterday that some of the things that he's seen reported are certainly in the ballpark.

Q Mike, on the Middle East Development Bank, my understanding is that it's been the EU that has resisted for months now the creation of a bank. Did the Chancellor offer the President any encouragement that the EU might relent and support Clinton and some of the Middle East countries?

MR. MCCURRY: Well, clearly, the President's intent in touching base with the Chancellor on this issue was to see if we could encourage one key European partner to be supportive of the plans for the bank as we prepare for the Amman summit at the end of this month. The EU will have to look again at some of the issues associated with the structure of the bank and some of the modalities of the bank's operations. But the EU -- my understanding is, and I think our understanding is, has by no means ruled out being supportive of the creation of a bank. Their questions are more towards procedures and to structure. And those are issues that we acknowledge we need to work through. And that, indeed, was part of the conversation the President and the Chancellor had last night.

Q But did the Chancellor give him any --

MR. MCCURRY: I would describe -- on the general subject of the importance of the bank, the importance of making progress on

the issue of the bank at the Amman summit, I would describe the President as being encouraged by his talk with the Chancellor.

Q Mike, numbers aside, did the President ask Kohl, in principle, to participate -- German participation in the new peacekeeping mission?

MR. MCCURRY: They had discussions about the importance of both countries contributing to the peace effort. I would decline to be more specific about types of participation, but I think you're all aware of some of the public discussions in Germany about the Bundeswehr and how it may or may not participate in such a force.

Q Mike, it's been said that President Chirac also has been very favorable to the Mideast development bank. Have you had some cooperation with the French in trying to win the --

MR. MCCURRY: I know in the work that's going on in preparation for the Amman summit by folks here and at the Statement Department there have been discussions with the French, and I believe there have been some exchanges in our bilateral diplomacy with the French on that. But you might want to check further with some of the NSC staff or check over at State.

Q Mike, also on the foreign policy side, the Republicans have been sending around a memo which they say was obtained of minutes of a meeting that AID had, senior staff meeting, in the last day or so in which they expressed the idea that some Democratic senators are about to cave in to Jesse Helms on going forward with the consolidation of some of the foreign policy organizations, and that the Vice President had them over here for a meeting to try to rally the troops yesterday. I wondered if you give us any --

MR. MCCURRY: Rita, I'll have to confess, I have to check on that. I don't know that. We've got very deep reservations about the reorganization plan as it's been put forward by Senator Helms. I think those have been pretty well rehearsed here and you know our thinking on that. And the Vice President has been very vigorous in putting forward the notion that there's a right way to reinvent our international presence overseas as part of our reinventing government effort. And he has been making that case early and often to as many members of Congress as he can. But we'll have to check for you on that particular message.

Q Is there any kind of deal in the works on this? I mean, right now we've got a lot of ambassadors --

MR. MCCURRY: We'll have to wait and see what the Senate

turns its attention to now. There is some discussion that that issue or, alternatively, Cuba embargo issues might be coming before the Senate very soon. And I'll have to check and see what the

schedule is there. But we remain hopeful that -- and certainly, you've heard the President making this case often that we need to be supportive of America's presence in the world. We certainly do that through AID, through USIA, and through on arms control issues, through ACTA. And our concern about the status of those three agencies I think is very well-known and very forcefully argued when we're dealing with Congress.

Q Do you know of any dissension in the ranks?

MR. MCCURRY: Dissension in which ranks?

Q Are Democrats pulling away from that -- from supporting --

MR. MCCURRY: Well, on that issue I think it's fair to say there were not monolithic views on either side of the aisle. There were -- a lot of different members of both parties in Congress took different views on the question of how you might effectively restructure some of this country's foreign policy apparatus.

Q Could you state for us what the administration's attitude is towards the Million Man March on Monday?

MR. MCCURRY: I believe -- didn't I -- have I not done that several times already? Our view has not changed. The President finds it encouraging that people would come together in an effort to promote the concepts of personal responsibility and responsibility towards community. Now, that said, the President has some deep reservations about the organizers of this march, in particular Reverend Farakhan.

Q On the budget, the Speaker had some additional comments today about a strategy of holding back appropriations bills through the 13th, doing a CR that's much more draconian, giving the President a choice between those two. What's the administration's reaction to the rhetoric today?

MR. MCCURRY: Well, they clearly have put themselves in a very adamant posture now; they're not interested in having further discussions or they have clearly rejected the President's invitation to walk through an open door. And they are holding fast to what is an implausible position that you can somehow or other balance the budget, accomplish the type of tax cut they want -- \$245 billion -- and do that without causing any damage to those who

participate in Medicare. And as we've been arguing over and over again, that argument just is not plausible and not logical. And at some point, there will have to be some give in that argument.

Q Have you made any proposal to them as to what sort of give there might be, or have you made a --

MR. MCCURRY: Yes. And the President sent them --

Q -- compromise offer that's actually got specifics --

MR. MCCURRY: The President -- remember, the course of this year and where we are. The President in June sent them a 10-year balanced budget proposal that you will all recall here engendered some bitter reaction among Democrats on Capitol Hill, but it was a good-faith effort by this President to open up a dialogue to achieve the very same result that the Republicans are looking for -- a balanced budget, targeted tax relief, protecting and strengthening Medicare by extending the solvency of the fund; and at the same time doing things that the President feels are important -- protecting this nation's environment and making necessary investments in education and technology for the long-term.

We went the distance in June hoping that that would begin a dialogue about how to resolve these budget issues. We have continued to try to pursue that. The President has had direct conversations with some of the Republican leadership, and yesterday they essentially said that's it, they're not interested in talking anymore.

Q Beyond that -- beyond offering and reoffering and talking about his budget, has the White House made any suggestions, proposals of any specific nature that would go -- meet the Republicans somewhere between where you are and where they are?

MR. MCCURRY: No, but it takes not mathematical genius to see that if you don't need to cut taxes \$245 billion in order to cut Medicare for the elderly \$270 billion, that if you target more effectively the tax cut, there is some room to maneuver there. That's been clear to the Republican leadership for a long time.

Q Have you made an offer along those lines?

MR. MCCURRY: We've had discussions about whether there's room to have those discussions. We've been talking about talking and now we're not talking.

Q What's the President's response to the AMA agreement to back the House Republican version?

MR. MCCURRY: Well, it appears that the doctors have won at the expense of elderly patients, and that in order to buy off the support of the doctors lobby, the Republican leadership has agreed to at least \$3 billion to \$4 billion worth of costs that will now be shifted away from the providers and the doctors and to the patients and the beneficiaries. And that is not necessary. The point the President would make is it's not necessary to cause that pain to achieve the goal of a balanced budget, as he laid forth so clearly in his own proposal.

Q The President said that he supports tax cuts that are properly targeted and affordable to American people. Is he talking then -- or is he open to the idea of it being more than just for child credits and for education? Is he extending this to targeted capital gains --

MR. MCCURRY: We have left open -- as you know, left open the possibility of looking at the issue of a targeted capital gains tax cut as well, depending on how it fits in in overall budget solution. You can't isolate any one question about how tax relief would be accomplished without looking at the whole package.

Q Are the issues --

MR. MCCURRY: But certainly he is open to that and has indicated that he is open to that. But the problem right now is there's absolutely no room for a dialogue if you view it the way the Republicans view it. They are adamant about wanting \$245 billion worth of tax cuts for the wealthiest in our country and they want to do that at the expense of those who rely on Medicare.

Q The \$245 billion -- some of that is for the family credit --

MR. MCCURRY: I stand corrected, Brit. I should have said disproportionately for the wealthy -- the vast preponderance of that \$245 billion going to upper-income Americans.

Q Vast preponderance?

MR. MCCURRY: Yes. If you want to go through all the numbers on that, I'll be happy to.

Q On the targeted issue of capital gains, could it be for long-term investment targeted regardless of income?

MR. MCCURRY: I'm not going to write a -- I cannot write a tax proposal here.

Q If the Republicans were willing to shift -- keep the \$245 billion but reduce -- but target it more towards the middle class -- in other words, lower the level from 200,000 to 100,000 and go for investments in areas that this administration supports, would you be willing to go along with the \$245 number?

MR. MCCURRY: No -- \$245 billion is an excessive amount of relief, particularly if it's skewed the way they want to do it. You can't take that much money out of a balanced budget plan without doing the kind of damage that their plan does to rural Americans, as you heard Leon Panetta talking about today, elderly Americans, as the cuts are required in their Medicare proposal would make. You can't do it without raising taxes on working families, as the President argued last week. The disproportionate impact of that tax cut disproportionately for the wealthy leads to all these other cuts that the President finds unnecessary, that the other Democrats in Congress find unnecessary and that increasing

the American people are saying are unnecessary. Thus is borne the dilemma that the Republicans are now in.

Q The Republicans want a seven-year balanced budget and the President wants nine -- revisions in July. Is there a possibility that the White House could go along with the seven-year plan if the GOP agrees to cut back on --

MR. MCCURRY: We said in June when we made the -- when the President made his proposal to the Congress, and we told you as we explained the proposal, that they are driven by the right policy. They were then examined by the OMB to say once you've set the policy and determined what the right policy is to get to a balanced budget, what's the calendar look like to achieve that objective.

First it was 10 years. It's now -- because of more favorable economic estimates that are available by the experts, it's been revised to nine years. The number of years has always been less important to this President than getting the policy right. But it's clear that, as we heard from the Speaker and the Majority Leader yesterday, they just are wrong-headed about how they want to achieve the balanced budget. And there's no room for give, as they said yesterday.

Q Mike, has the President set a date for his speech on racial relations?

MR. MCCURRY: No.

Q Mike, the President this morning spoke about the new financial architecture which had been put in place in the aftermath of Halifax, and was generally very upbeat with regard to the Mexican situation. Does that mean that he feels that this new financial architecture is now in place, in spite of the fact we do have instabilities on the Japanese market -- the stock went down 50 points -- or is there more that has to be done? Is he satisfied --

MR. MCCURRY: No, this is -- this is a work-in-progress, as we've made clear all along, going back to the G-7 meetings in Naples, extending through the discussion the G-7 had in Halifax earlier this year. What the President has suggested, what he again turned to today is the need to take these institutions that are so vital to the global economy, updating them and making them more realistic and efficient in the new environment of the post-Cold War era, and then expanding their ability to promote global economic growth. That has not been accomplished yet by any means, as the President suggested today, but there's been some progress in that direction.

What are we looking at here. (Laughter.)

Q Bill Plante has the news --

Q Simpson interview canceled.

Q Here's the news of the day.

MR. MCCURRY: Ahh. Well, that will make life easier for

the President -- no. (Laughter.) The news now on the wire is -- late-breaking update -- NBC says that the O.J. Simpson interview is canceled.

Q Why?

MR. MCCURRY: There's two ways of looking --

Q Mr. Miklaszewski will now brief. (Laughter.)

Q I have nothing for you on that. (Laughter.)

MR. MCCURRY: Let me point out, there are two ways of looking at this news. The good news is -- for ABC -- is it might raise -- boost the ratings for the ball game. The bad news is, it might raise CNN's rating for the Republican debate in Manchester.

Q They couldn't compete with that one.

MR. MCCURRY: For the President of the United States, it's no news because he didn't plan to watch it anyhow. He's planning to have a nice 20th-anniversary dinner with his bride and the Revered Vic Nixon, who married them 20 years ago this day, and members of their bridal party and others who have been friends of the couple for the last two decades. So he was not planning to watch television tonight in any event.

Q Maybe Dateline NBC can cover that.

Q The First Lady promised a present that would make a big splash. Have you talked to him this morning?

MR. MCCURRY: Oh, oh, oh -- well, no, they have not exchanged gifts. The President said he had not received his gift from the First Lady. And I inquired as to what he might have purchased her, and he allowed as he did not want you all to know before she did, but he said he'd done good by her. (Laughter.) And he said -- that was compared to the first year's --

Q He doesn't talk to us anyway. Go ahead and tell us.

MR. MCCURRY: -- the first couple of years of their marriage when they didn't have enough money to exchange gifts.

Q Where's the party tonight -- here, on campus?

MR. MCCURRY: I believe it's at the house. They're planning to stay in, yes.

Q Mike, did the President think it was a good idea to have that interview in the first place --

MR. MCCURRY: He had no opinion about that, as far as I know. He had no plans to watch the interview as it turns out.

Q Do you see something acceptable in Medicare cuts coming out of the conference committee that looks more like the Senate bill?

MR. MCCURRY: No. I mean, the Democrats have a very good idea, which is to try to move ahead with the Part A savings, the \$89 billion that represent by and large the same proposal that the President made in his 10-year plan. By the way, Congressman Sam Gibbons makes a very good point. Today he said that the effect of the Republican tax cut legislation, which rolls back the '93 OBRA provisions, as they related to Social Security taxation,

actually brings the amount of Medicare savings for the HI trust fund that's in the Republican proposal down to the point where they only extend the solvency of the trust fund the same six years that the President's plan does. So we're now talking about absolutely no difference when it comes to who is going to make the HI trust fund more solvent. The Republican plan and the President's 10-year plan do exactly the same job, if you measure what the effects of the tax changes are that are now recommended by the Republicans in Congress.

So that argument is about nothing. I think we can take that one effectively off the table.

Q If the Republicans were to accept your economic assumptions, and you were to go along with a downward adjustment in the CPI, that would put less pressure on --

Q If, if, if, if.

MR. MCCURRY: I can't -- which assumptions are you talking about? We had -- yesterday we had the Speaker of the House accused the President of being too optimistic in his growth estimates. We had the Senate Majority Leader say we were too pessimistic. Maybe the reason why they can't talk to us is that they need to talk to each other to sort out where they are. You've got Dole saying growth is going to be a 3.5 percent. Well, that's an enormous difference from what they have projected.

Remember, the difference between OMB and CBO on growth estimates over the pathway that we're looking at here is the difference between 2.3 percent and 2.5 percent. But, suddenly, Senator Dole believes that we are going to have growth estimates that are 3 percent, 3.5 percent. You know, that goes beyond smoke and mirrors; that's a pretty heavy, thick fog, I think.

Q I have a quickie on another topic. Senator Feingold and three other Democratic senators have written to the President charging nuclear cooperation with Jacques Chirac and the French. Have you received those communiques? Do you have any --

MR. MCCURRY: I'll have to check. That's one for David

Johnson. I hadn't been aware of that, but we have talked through some of that.

Q I have a question concerning something that Clinton said yesterday. He said that under the GOP plan there would be the smallest economic growth in 25 years. Where did he come up with that figure?

MR. MCCURRY: Say again?

Q Yesterday, he said it would be the smallest economic growth if the GOP plan -- balanced budget plan went through, that the U.S. has had in 25 years.

Q No, he was talking about the assumptions.

MR. MCCURRY: Those are the assumptions. He's saying that if you take the CBO assumption, even adding in the balanced budget bonus of .1 percent and make it 2.4 percent, the point he's making is that it doesn't reflect a lot of faith in the Republicans' estimate of how well this country will do in economic growth under their own plan. Now, remember, back in --

Q That's not the smallest in 25 years.

MR. MCCURRY: Well, we will defer to Bloomberg Newsletter, because you are the world's greatest resource of statistics on the question of economic growth. So whatever it was -

Q So the President misspoke, bad staff work, what?

MR. MCCURRY: We'll go back and look and see exactly what their growth estimates are. But the point he was making is that back in September, September 5th, Senator Dole criticized the President for being too conservative in his growth estimates by -- at least having a budget plan that he said was going to generate growth that was insufficient to meet the country's needs as we go into the 21st century. Now, they're turning around and accusing us of smoke and mirrors for the same set of assumptions. You know, they keep changing their tune every day when it comes to this question.

Q Mike, did the President get a response to his letter to the Hill on welfare and --

MR. MCCURRY: No, but that was a letter that went to the Hill as a statement of policy in preparation for the work that the Conference Committee is going to do. The response that we'll get from Congress will be whether or not they accept the President's reasoning as the conference committee begins to deal with welfare reform.

Q What baseline can we look for for Congress to pass -

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MR. MCCURRY: Well, our view is pretty simple; that if

they end up at the House bill, it's gone and we lose the opportunity to reform welfare as we know it. And the President's made it clear then he will proceed by giving individual states the right to reform welfare on their own the way we've been doing. If we get the Senate bill, we're in a much better spot. Even though the Senate bill is imperfect, we can make do with that and work within the contours of the Senate-passed bill. Even better would be if they can improve upon the Senate bill, and it's not impossible for the conference to do that.

Q What do you think Dole's remark that it's Halloween around here, and scare tactics?

MR. MCCURRY: I think he's two weeks premature -- right, Halloween is two weeks from now. (Laughter.)

Q It's going to get worse?

MR. MCCURRY: It could get very worse. It's either Halloween or Alice in Wonderland -- I can't decide which they're into today.

Q Ending up with the House bill or the Senate bill -- I mean usually a conference comes up with some kind of mixture of the two. Now, in the past, Leon Panetta has said any step they take towards the House bill would get them a veto. Are you saying something different now?

MR. MCCURRY: No.

Q You're saying it has to be the Senate bill or --

MR. MCCURRY: I'm not saying anything different from our esteemed Chief of Staff. I would never do that. No, the point I'm making is, look, one of the critical -- let's take as an example -- one of the critical issues is continuation of effort. One of the dire problems with the House bill is that there's no guarantee the funding is there to protect innocent children from changes in requirements. Now, the Senate put a commitment in law that said 80 percent of effort, a provision that doesn't exist at all in the House bill. Now, you could take the 80 percent or even improve on the 80 percent if you wanted to. The issue is are you going to require a certain level of funding --

Q You want some kind of continuation of effort.

MR. MCCURRY: Yes -- well, no, not some kind. We want 80 percent or better. I mean, the issue is do you continue -- do you maintain the current effort so that people don't get lost -- left behind, or do you not address, fail to address that issue at

all, which is the grievous damage done by the House bill.

Q How does the President feel about the family cap

where the states, if they wanted to continue to pay for extra children, then it would have to come out of their own funds? Is that a problem for him?

MR. MCCURRY: I'll check on that. I think that is a problem because that has the net effect of reducing what the state - the state has to make up the difference some how or other then under those circumstances. And that would lead to the kinds of cuts that would put in jeopardy children who would then not have any recourse at all, or wouldn't have any benefit level at all.

Q Is the President's pending speech on race relations still possible at Austin or is that -- can you rule that out?

MR. MCCURRY: It's still possible. But I just him, I said, are you really ready to say we can do this at this point, and he said, no, I really -- with President Zedillo here and the things he's been working on, he's not had an opportunity to really lock in on that. And he asked me to refrain from saying he was definitely going to give that speech on Monday until he knows that he'll be in a position to address the issue as effectively as he want to address it.

Q On that point, you said he's talking to people about this. Who's he talking to, how is he consulting with people on this issue?

MR. MCCURRY: Well, the problem is he's really not had an opportunity yet to do that type of work on it. I'll let you know as we get closer to the speech, if in fact we give the speech.

Q Mike, in terms of maintenance of effort, does the White House believe that it should be a percentage of what states currently contribute and, thus, favor continuation of the current inequity where states like New York pay a much higher share than, say, Arkansas?

MR. MCCURRY: Well, no. The maintenance of effort provision that has been adopted by the Senate refers to federal funding that's available. What we would hope to see happen is experimentation going on at the state level that begins to change the mix of how they finance so that they stretch each dollar that goes into public assistance even further. That's the whole purpose of a lot of the expenditures -- or a lot of the experiments that are now underway.

THE PRESS: Thank you.

END 2:50
P.M. EDT

#118-10/11

M S M a i l

DATE-TIME 09 November 95 09:12
FROM Halperin, Morton H.
CLASSIFICATION UNCLASSIFIED
SUBJECT FW: Halperin Package [UNCLASSIFIED]
TO Danvers, William C.
CARBON_COPY Burrell, Christina L.
TEXT_BODY

This is what I found in Mort's e-mail. We have now gotten a dunning notice from exec sec looking for this letter. What should we do? Kathy

From: Danvers, William C.
To: Bell, Robert G.; Clarke, Richard A.; Halperin, Morton H.
CC: /R, Record at A1; Cooper, Kathleen H.; Kelly, Sandra L.; Lindsey, Wanda D.; @LEGISLAT-Legislative Affairs
Subject: FW: Halperin Package [UNCLASSIFIED]
Date: Wednesday, September 27, 1995 01:49 PM

[[6787-1A.DOC : 2393 in 6787-1A.DOC]][[6787-2A.DOC : 2394 in 6787-2A.DOC
]]][6787-3A.DOC : 2395 in 6787-3A.DOC]]

Some changes.

From: Burrell, Christina L.
To: Danvers, William C.
CC: /N, NonRecord at A1
Subject: Halperin Package [UNCLASSIFIED]
Date: Wednesday, September 27, 1995 01:36 PM

**ATTACHMENT
FILE DATE** 27 September 95 13:20

**ATTACHMENT
FILE NAME** 6787-1A.DOC

6787

LIMITED ACCESS

D R A F T

ACTION

MEMORANDUM FOR ANTHONY LAKE

THROUGH: MORTON H. HALPERIN

FROM: TIM TYLER

SUBJECT: Helms Letter to POTUS on Consolidation

Following their meeting, Senator Helms sent a letter to the President on September 8th offering to work with us and with the State Department on the authorization bill. We need to respond to the letter -- after we decide what to do.

There has been one subsequent meeting between Helms' staff and the interagency (State, USAID, ACDA, USIA and NSC) legislative affairs offices. That meeting was limited to discussion about procedures, i.e. deal with restrictions on presidential prerogatives first, then the numbers and then with the consolidation issue. Since then the context has changed.

ù Jesse Helms won a 57-43 vote on tabling his amendment to force consolidation -- he then withdrew his amendment.

ù Bob Dole is now involved.

ù John Kerry commented on the Senate floor that he was willing to see one of the agencies consolidated.

ù Issue has been raised by Leon Panetta at his staff meeting: his feeling is that we have to solve the problem.

ù "Hanging tough is an increasingly difficult strategy." Helms will keep coming at us and he has some Democratic support.

ù The heads of the Agencies remain opposed to consolidation.

ù We have had a solid hang tough--all for one and one for all--

position for months, which is identified with the Vice President. A shift from that position could move Helms to claim victory.

We need to decide how to proceed once we have an agreed upon position. We suggest that there be a VP-led meeting of concerned agency heads, bringing them on board. We should then get back to our Democrats in the Senate and House to let them know what we want to do. Finally, contact should be made with Helms and Gilman, presenting our proposal. The issue remains as to what our "proposal" will be. The most workable solution is to tell Helms and Gilman that we will get back to them with a specific

reorganization plan by a date certain.

Our end game is simple:

- ù Respond to Helms;
- ù Avoid forced, mandated consolidation; and
- ù Use the budget context to force a hard look at the reinvention of the foreign affairs agencies and move toward acceptance of the position developed through the NPR review of the four agencies.

We have attached a memo to the President (Tab I) and a letters from the President to Senator Helms (Tab A) reflecting this position.

Concurrence by: Richard Clarke; Bill Danvers; Bob Bell

Attachments

Tab I Memorandum for the President
Tab A Letter to Senator Helms
Tab B Letter from Senator Helms

ATTACHMENT FILE DATE

27 September 95 13:33

ATTACHMENT FILE NAME

6787-2A.DOC

6787

LIMITED ACCESS

cc: Vice President

Chief of Staff

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE
PAT GRIFFIN

SUBJECT: Response to Sen. Helms Letter of
September 8, 1995

Purpose

To respond to Senator Jesse Helms' offer to work with us on the issue of "reorganizing the State Department" and the other foreign affairs agencies.

Background

Following your meeting with him, Senator Helms wrote you on September 8th, offering to work with us and the State Department on the State Department Bill (i.e. on the issue of consolidation of the foreign affairs agencies). There has also been a follow-up meeting with Helms' staff and interagency legislative affairs representatives on procedural matters. Since then the situation has changed:

ù Jesse Helms won a 57-43 vote on tabling an amendment he sponsored with Senator Dole to force consolidation last week during Senate consideration of the Foreign Operations Appropriations bill. He subsequently withdrew his amendment.

ù Senator Helms has stated publicly on several occasions that he is waiting for a response from you to your meeting with him and that he will hold up nominations and consideration of treaties, particularly START II and the Chemical Weapons Convention; nominations; and other Committee business until he has an up or down vote on his proposal.

ù There is some Democratic support for consolidation. Three Democrats voted against the motion to table the Helms amendment last week. Senator Kerry stated on the Senate floor that he is willing to see one of the agencies consolidated, a position he took during Senate Foreign Relations Committee deliberations on this issue.

On the other side of this issue, Agencies targeted by the Helms legislation continue to oppose any consolidation. There are also key Democrats who are willing to back us in our resistance to the Helms plan. We believe that in order to try to get the Foreign Relations Committee business moving again, we should respond to Senator Helms by telling him that we will present to Congress by a date certain a reorganization plan. This will allow us and our

supporters to be able to say that we have responded to the Senator and that he should now allow the SFRC to meet to conduct its business.

RECOMMENDATION

That you sign the attached letter to Senator Helms.

Attachments

Tab A Letter to Senator Jesse Helms

Tab B Letter from Senator Helms

**ATTACHMENT
FILE DATE**

27 September 95 13:16

**ATTACHMENT
FILE NAME**

6787-3A.DOC

Dear Mr. Chairman:

I wanted to get back to you following our meeting to discuss your proposal to reorganize the foreign affairs agencies. Since then, I am pleased that representatives from the Administration have met with your staff as a follow on to that discussion.

I am asking the Vice President to submit to you and Representative Gilman a proposal that we will get back to you by a date certain our detailed plan for reorganizing the foreign affairs agencies.

As you know, I strongly believe that the organization of the federal government is the prerogative of the Executive branch, although I think it is important to take into consideration Congressional concerns and ideas as we complete this process.

I ask that in the interim the Committee resume its work with us on treaties such as START II and the Chemical Weapons Convention, Ambassadorial confirmations and other committee business.

I continue to believe that it is critical for this nation to pursue a strongly bipartisan foreign policy and that the Congress provide the resources necessary to keep America's world leadership strong.

Sincerely,

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510

M S M a i l

DATE-TIME 13 November 95 11:14
FROM Harris, Elisa D.
CLASSIFICATION UNCLASSIFIED
SUBJECT cwc guidance [UNCLASSIFIED]
TO Cullin, Brian P.
Fetig, James L.
Johnson, David T.
Naplan, Steven J.
Schuker, Jill A.
Wozniak, Natalie S.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY [[CWC1113.DOC : 2876 in CWC1113.DOC]]
**ATTACHMENT
FILE DATE** 13 November 95 11:13
**ATTACHMENT
FILE NAME** CWC1113.DOC

CHEMICAL WEAPONS

Background: Today's Washington Post reports that SFRC Chairman Jesse Helms has concerns about the Chemical Weapons Convention and is prepared to block its ratification "indefinitely."

The story notes that enthusiasm for the treaty is waning in other countries because of the U.S. failure

to ratify and states that if the treaty falls by the wayside, it would represent a triumph of one determined legislator

or over a decade-long bipartisan consensus in support of the treaty.

Q: Do you have any comments on the story in today's Washington Post about ratification of the Chemical Weapons Convention?

A: Chemical weapons proliferation poses a serious danger to U.S. national

security and that of our friends and allies. The Chemical Weapons Convention will make it harder and more costly for proliferators and terrorists alike to acquire chemical weapons by outlawing the development, production, stockpiling and use.

Q: Aides to Senator Helms say that Senator is prepared to block ratification "indefinitely". What is your view of this?

A: The CWC has enjoyed and continues to enjoy strong bipartisan support in the U.S. It was negotiated under President Reagan, concluded and signed under President Bush, and submitted to the Senate by President Clinton.

In recent weeks, Senators Lugar, Nunn, Kassebaum, Glenn, Biden, Levin and others have pressed the case for CWC ratification. They have been joined by an impressive group of former Administration officials, including Brent Scowcroft, Larry Eagleburger and Ron Lehman.

The strong support for the CWC on the part of these and other top officials underscores a simple fact: the CWC is in our national security interests, and we need it now.

Q: What will happen to the CWC if the U.S. does not ratify?

To date, 159 countries have signed the CWC and 42 have ratified it. However, many other countries are waiting and watching to see if the U.S. will ratify before completing their own ratification efforts. U.S. leadership is critical to reaching the threshold of 65 ratifications necessary to bring the CWC into force.

Q: Why hasn't the Senate ratified yet?

Since November 1993, when the CWC was submitted to the Senate, nine hearings have been held on the treaty, the last of which was in August 1994.

In September 1995, the Senate adopted a "Sense of the Senate" amendment calling for prompt ratification of CWC (and START II).

As far as obstacles to Senate action are concerned, we would simply note that the full Senate ought to be given the opportunity to carry out its Constitutional responsibility.

nsibility to provide its advice and consent to ratification.

The CWC should be debated on its merits, fully and openly by the entire Senate. We should not allow this vital agreement to slip away simply by default -- because the full Senate was denied the opportunity to debate the Convention fully and openly.

We are confident that, if given the chance, the Senate will come to the same conclusion as the Reagan, Bush and Clinton Administrations -- that the CWC is in our national security interests and should be ratified promptly.

M S M a i l

DATE-TIME 13 November 95 11:30
FROM Harris, Elisa D.
CLASSIFICATION UNCLASSIFIED
SUBJECT RE: cwc guidance [UNCLASSIFIED]
TO Cullin, Brian P.
Fetig, James L.
Harris, Elisa D.
Johnson, David T.
Naplan, Steven J.
Schuker, Jill A.
Wozniak, Natalie S.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

sorry. previous version had a few typos. use this one. thanks!

[[CWC1113.DOC : 2823 in CWC1113.DOC]]

From: Harris, Elisa D.
To: @PRESS - Public Affairs
CC: /R, Record at A1
Subject: cwc guidance [UNCLASSIFIED]
Date: Monday, November 13, 1995 11:14 AM

<<Attached File: CWC1113.DOC>>

**ATTACHMENT
FILE DATE** 13 November 95 11:28

ATTACHMENT CWC1113.DOC

FILE NAME

CHEMICAL WEAPONS

Background: Today's Washington Post reports that SFRC Chairman Jesse Helms has concerns about the Chemical Weapons Convention and is prepared to block its ratification "indefinitely."

The story notes that enthusiasm for the treaty is waning in other countries because of the U.S. failure to ratify and states that if the treaty falls by the wayside, it would represent a triumph of one determined legislator over over a decade-long bipartisan consensus in support of the treaty.

Q: Do you have any comments on the story in today's Washington Post about ratification of the Chemical Weapons Convention?

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As far as obstacles to Senate action are concerned, we would simply note that the full Senate ought to be given the opportunity to carry out its Constitutional responsibility to provide its advice and consent to ratification.

The CWC should be debated on its merits, fully and openly by the entire Senate. We should not allow this vital agreement to slip away simply by default -- because the full Senate was denied the opportunity to debate the Convention fully and openly.

We are confident that, if given the chance, the Senate will come to the same conclusion as the Reagan, Bush and Clinton Administrations -- that the CWC is in our national security interests and should be ratified promptly.

M S M a i l

DATE-TIME 13 November 95 13:51
FROM Wozniak, Natalie S.
CLASSIFICATION UNCLASSIFIED
SUBJECT November 13 Press Guidance [UNCLASSIFIED]
TO Cullin, Brian P.
Deshazer, Macarthur X.
Fetig, James L.
Johnson, David T.
Naplan, Steven J.
Schuker, Jill A.
Wozniak, Natalie S.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY

As edited by David Johnson and delivered to Mike McCurry:

[[NOV13GUI.DOC : 3355 in NOV13GUI.DOC]]

**ATTACHMENT
FILE DATE** 13 November 95 12:43
**ATTACHMENT
FILE NAME** NOV13GUI.DOC
NATIONAL SECURITY AFFAIRS GUIDANCE
November 13, 1995

FAR EAST
Osaka/Japan Trip
Okinawa

EUROPE
Bosnia/Croatia
Ireland
NATO Secretary General
Russia
CFE
Turkey

MIDDLE EAST

Jerusalem

Israel-China Tech Transfer

Iraq Sanctions

Iran

CENTRAL AMERICA

Haiti

Cuba

AFRICA

Nigeria

MISCELLANEOUS

Military Modernization

START Space Launch Vehicles

Experiments at Nevada Test Site

CWC

Chemical Weapons

OSAKA/JAPAN TRIP

Q: If you consider Asia (and Japan in particular) as important as you say, why did you cancel your important bilateral meetings in Osaka and cut short your State Visit to Japan?

A: It is precisely because the President considers the Asia-Pacific region in general and the Japan relationship in particular to be so important that he is still going both to APEC and the state visit to Japan.

Just as he won't walk away from his principles and programs in the budget confrontation with the Congress, he won't walk away from his commitment to a strong priority in U.S. foreign policy for the Asia Pacific region.

Therefore, POTUS felt it best to shorten his trip in order to deal with the budget situation here but not to cancel it entirely, which might have been wrongly interpreted by some as

a signal of lesser U.S.
interest in the Asia-Pacific region.

OKINAWA

ù It's important to distinguish between the justified emotional outpouring resulting from the tragic incident on Okinawa and the more fundamental issue of continued Japanese support for the US-Japan security alliance.

ù While I don't believe it's appropriate for me to comment any further about the incident itself while the trial is ongoing, I should point out that every senior American official, from President Clinton, Secretary Perry and Ambassador Mondale on down, has publicly expressed regret over this incident.

ù In terms of underlying support for the security relationship, that certainly remains strong, both within the Japanese Government and the Japanese people as a whole.

ù Just last week, Secretary Perry visited Japan, during which he and his Japanese counterpart, Minister Eto, held a press conference in which they both publicly expressed their support for the continued presence of 47,000 US troops in Japan.

ù At a subsequent meeting, Prime Minister Murayama indicated to Secretary Perry that he agreed with this.

ù The bottom line is that the Japanese Government is not asking us to reduce our troop presence, because it recognizes that this presence is crucial to Japan's own interest in the preservation of peace and stability in Asia.

BOSNIA/CROATIA

Agreement on the Region of Eastern Slavonia

ù Transitional period of 12 months which may be extended for 12 months.

ù UN Security Council requested to establish a Transitional Administration.

ù UN Security Council requested to authorize an international force to deploy during the transitional period to maintain peace and security and assist in implementation of this agreement.

ù Transitional Administration shall help establish and train temporary police forces

ù All persons have the right to return freely to their place of residence in the Region and to live in conditions of security.

ù Not later than 30 days before the end of the transitional period, elections for all local government bodies shall be organized by the Transitional Administration.

ù The Government of Croatia shall cooperate fully with the Transitional Administration and the international force.

If asked whether IFOR is to be the international force

The international force and its composition has not been determined. The UN Security Council must first authorize an international force. IFOR does not have a mission to implement an agreement in Eastern Slavonia.

Federation in Dayton

ù Secretary Christopher flew to Dayton Thursday to announce decisions that bring the Bosnian/Croat Federation to life.

ù President Tudjman witnessed the signing. Izetbegovic and Zubak signed it. The two mayors of Mostar and Mostar's EU administrator signed it.

ù The U.S. representative to the Federation, Daniel Serwer, played a key role in negotiating this agreement.

ù This is the first concrete result to flow from Dayton, but we hope and expect it will not be the last.

ù Secretary Christopher remained in Dayton Friday for further discussions with the parties. He returned to Washington Friday night.

ù Through his work, and that of Dick Holbrooke, Ambassador Galbraith and Special Negotiator Stoltenberg, the parties were able to reach agreement Sunday on a peaceful arrangement in the return of Eastern Slavonia to Croatian control, following a year of UN supervision.

Sanctions Relief

ù Izetbegovic and Milosevic requested immediate resumption of natural gas deliveries to both Bosnia and

Serbia on humanitarian grounds and as a confidence building measure.

ù U.S. working with Contact group members for action at the UNSC under existing humanitarian exemption.

ù This is a humanitarian gesture to provide heating fuel in response to severe winter conditions.

ù Delivery is for two months.

ù Action is similar to one last year where relief was provided for humanitarian reasons.

ù (If asked about sanctions suspension) This will take a full UNSCR and our position has not changed-we will support suspension when there is a peace agreement.

Release of David Rohde

ù David Rohde of the Christian Science Monitor was released Wednesday by the Bosnian Serbs to our Embassy in Belgrade.

ù We are happy for his release and glad that he is safe and can return to his family

ù Freedom of the press is very important to the U.S.

ù We condemn the actions of the Bosnian Serb authorities. Their behavior throughout this incident, including their failure to admit for several days they were holding Mr. Rohde, has been utterly irresponsible, especially in light of the ongoing peace negotiations in Dayton.

Intelligence Sharing with the Bosnian War Crimes Tribunal

ù The U.S. intelligence community is not "sitting on" information that may be of use to the Tribunal prosecutor.

ù A coordinated Intelligence Community process in place since spring to manage handling of requests for information/classified responses to requests. We provide available information even in the absence of a specific request.

ù U.S. has not withheld any intelligence with the intent to prevent the prosecution of any war criminals including Mladic and Karadzic.

ù Talks in Dayton have had no bearing whatsoever on our commitment to support and assist the War Crimes Tribunal in every way its efforts to bring war criminals to justice.

ù Reporting such information is time-consuming, but we make a strenuous effort to respond as rapidly as possible.

ù We will find a way to get the Tribunal the information it needs.

Atrocities

ù Continue to condemn these gross violations of human rights.

ù Led vigorous effort to uncover/publicize evidence of war crimes in Balkans.

ù Shattuck three times raised issue with Serbs.

ù War crimes indictments not negotiable. In fact, the Tribunal today announced additional indictments.

ù Actively support investigating international organizations (UNHCR, Red Cross).

ù Stopping atrocities one main reason for active U.S. role in the peace negotiations

Proximity Talks

ù Proximity talks are continuing. We're keeping the public informed on the talks through a single spokesman at the State Department. For details on yesterday's activities, refer to State daily report.

ù President said to team last Tuesday, this is a defining moment for Bosnia.

ù Only the parties to this terrible conflict can end it.

ù In Dayton, our diplomats face a tremendous challenge. There is no guarantee they will succeed. American leadership key to success.

ù Talks co-chaired by Holbrooke/Bildt. Goal to secure final peace agreement that parties will initial in Dayton.

ù Balkan parties: Presidents Izetbegovic, Tudjman, and Milosevic plus Contact Group partners.

ù Intensive U.S. /CG diplomacy - parties agreed Geneva (9/8/95)/New York (9/26/95)

to settlement basic principles: Bosnia as single state; 51/49 basis for territorial solution; constitutional structure; democratic elections; and subsequently to cease-fire

ù Difficult issues still to be resolved: (i) internal boundary for Bosnian-Croat Federation/Serb Republic; (ii)

Sarajevo status; (iii) practical steps to separate forces /ceasing hostilities; (iv) election procedures.

ù After Dayton, next steps: Paris international peace conference and implementation conference in London. May be meetings after Paris before final settlement signed.

ù No set duration.

Peace Plan Implementation

ù NAC approved concept of ops for IFOR.

ù Detailed planning by NATO Military Authorities proceeding; Joulwan briefed President and national security team on state of NATO'S plans.

ù Number of forces for operation not determined - will depend on peace agreement modalities.

ù NATO briefed UN, UN Peace Force contributors, and interested PFP countries contributions by non-NATO countries would be welcome.

ù Churkin attended "16-plus-one" with NAC to discuss NATO's planning.

ù Concept of ops 5 phases:

- Phase I: Preparation Phase. Presently in this phase now.

- Phase II: Entry. Begin after signing of peace agreement. Military forces would deploy to area by sea/land.

- Phase III: Implementation. Deployment of forces in country to secure critical areas and main outposts.

- Phase IV: Transition to Peace. Initial robust forces slowly drawdown over years as peace agreement took affect.

- Phase V: Exit. Orderly hand over of commitments to appropriate civilian

organiza
tions and
withdrawal of IFOR and equipment.

War Criminals

ù IFOR mission is to implement the peace agreement.

ù Pursuing war criminals not in mission, but will take into custody if come into
con
tact.

Military Stabilization

ù Our goal to establish stability on ground by time IFOR completes mission. One
key
is to ensure settlement
does not break down after IFOR leaves.

ù Preference for balance of forces between Federation/Bosnian Serbs through
arms con
trol measures that
provide for a "build-down."

ù Arms control by itself unlikely to achieve stable balance, prepared to
equip/train
Federation forces to ensure

effective self-defense capability (DoD has details on contracting).

ù Effort separate from NATO-led implementation force. First step: lifting of arms
e
mbargo.

New Ethnic Cleansing/Reports of Mass Graves

ù U.S. has/will continue to investigate and provide information to UN/War
Crimes Tri
bunal regarding violations
of international human rights and humanitarian law in a timely manner.

ù Shattuck documented evidence of Bosnian Serb atrocities. Last August, went to
Cen
tral/Northeastern Bosnia,
collected eyewitness accounts of mass executions, beatings, rape and other
violation
s of human rights and
international humanitarian law. Shattuck just returned to region to interview refug
ees in Zenia.

ù Albright presented to UN Security Council compelling evidence gathered by US. Evidence based on US intelligence and photographic intelligence, strongly suggested mass grave sites in Srebrenica.

ù Actively support international organizations like UNHCR and Red Cross to document fate and whereabouts of missing persons.

12-Month IFOR Time Limit

ù U.S. position: IFOR military aspects should have finite duration (NATO/NAC accepted)

ù Believe military aspects accomplished in about one year.

ù Will not make final decision on duration until final peace agreement/completed OPLAN.

ù 12 months NATO planning figure not been formally adopted by Alliance.

ù One year sufficient to establish stable ground situation.

ù Desire to create stable balance through arms reductions, but this will also require some military support for Federation forces to ensure they have an effective self-defense capability.

Russian IFOR Participation

ù Perry/Grachev reached agreement on Russian participation of IFOR. Russian forces will come under the operational command of a Russian general officer who will report to General Joulwan as overall commander of IFOR. The Russian Brigade will be folded into an American division which will exercise tactical control. The Russians will retain national command over their forces as other nations that participate in IFOR.

ù Russia and U.S. may also participate in a special force that will deploy 30 days after IFOR. That force will work on transport, logistics.

ù Prefer NATO/Russian forces not separated between Federation and Serb areas.

IRELAND

U.S. Role

ù We are committed to working with the two governments and the parties to help in the search for peace.

ù Thankful there has been a year in which the guns and bombs are silent.

ù First time in a generation there is real hope for a lasting peace and a more prosperous future. People of Belfast are finally living a normal life.

ù One can literally say that there are individuals walking the streets in Belfast alive today who would not be had we not gotten involved. American engagement has been an essential ingredient in the search for peace.

U.S. Meetings

ù UUP leader Trimble met with the Vice President November 1. The President joined them for part of the meeting. The focus of the discussion was the peace process in Northern Ireland. Part of our continuing efforts to maintain contacts with all of the parties.

ù We have had a number of contacts over the last several weeks about how to move the peace process forward.

ù Sinn Fein President Gerry Adams recently met with National Security Advisor Anthony Lake. The Vice President joined them for part of the meeting.

ù The Vice President and Mr. Lake met with UK Minister of State for Northern Ireland

Michael Ancram.

ù On September 29, the President saw Irish Deputy Prime Minister, Dick Spring, who was at the White House for a meeting with the Vice President.

ù The Deputy Assistant to the President for National Security Affairs, Nancy Soderberg, recently conducted a round of consultations with all parties in Ireland and the UK.

ù The National Security Advisor, Anthony Lake, held consultations in London with the British Government on Bosnia, Northern Ireland and other issues October 16-19. While there, he also met Northern Ireland political leaders, David Trimble of the UUP and John Hume of the SDLP..

ù We are hopeful a way can be found to move things forward. Contacts with all the parties are continuing. We are not prepared to go into any detail. NSA Lake's Trip to London

ù NSA Lake was in London week October 16-19. He was there for consultations with the British Government on Bosnia, Northern Ireland, the President's trip, and other issues. While there, he also met with Northern Ireland political leaders.

ù If asked: Mr. Lake was accompanied by Deputy NSA Nancy Soderberg and Director for European Affairs Mary Ann Peters.

Twin Track

ù We see a basis for progress in the "twin-track" proposal to begin inclusive talks between the British and Irish Governments and the Northern Ireland political parties and to establish an international body to address the issue of decommissioning the paramilitaries' weapons.

ù We will continue to encourage all sides to be flexible and find a way to move the

process forward.

British Stalling on Talks?

ù As we have said, we hope that momentum will have been restored to the process by the time the President visits Northern Ireland at the end of November.

ù We believe Prime Minister Major is committed to achieving a lasting peace in Northern Ireland.

Position on Decommissioning:

ù On decommissioning of weapons, we have said that parties observing the cease-fire "must take the next step and begin to discuss serious decommissioning." We have made clear to Sinn Féin and loyalists that we expect movement on this issue.

Senator Mitchell to Chair Commission on Decommissioning?:

ù The two governments and parties are discussing the proposal. Have not yet made a decision.

ù It's premature to discuss any U.S. Government or private citizen role until there is a formal decision.

Comments of new UUP leader Trimble on twin track?

ù Trimble's speech of October 21 represented no change in the unionist position of opposition to the twin track approach.

ù Our view is that twin track strategy of the British and Irish Governments offers the best prospect for moving the peace process forward.

ù Looking forward to working with Mr. Trimble as we have with the Unionists over the past year.

Paisley Visit

ù Paisley met with NSA Lake and VP Gore October 27.

Deportations

[Irish groups mounting a campaign against deportation of former IRA members, some who are married to U.S. citizens and/or have U.S. children. U.S. law provides no flexibility in prohibiting permanent residency to those linked to terrorism. We are looking into possible legislative waivers.]

ù Issue recently brought to our attention.

ù Law provides no flexibility on many cases.

ù Staff reviewing issue.

SUCCESSOR TO NATO SYG CLAES

ù The decision to withdraw former Prime Minister Lubbers' candidacy for the position of NATO Secretary General was for the Dutch Government to make.

ù We have the highest regard for Mr. Lubbers. He has been a good friend and reliable ally of the United States who served his country with distinction as Prime Minister for more than a decade.

ù His leadership contributed to the strength of the NATO Alliance and the transatlantic relationship, including the decisions taken at the January 1994 NATO Summit.

ù We have not made any decision on who would make the best candidate for the position of NATO Secretary General and are continuing to consult with our Allies.

ù The final decision will, of course, require a consensus among all 16 members of the Alliance.

(If pressed on whether U.S. rejected Lubbers' candidacy):

It would be inappropriate to comment on the confidential discussions that are taking place within the Alliance on this matter.

Q: Is there a rift in the Alliance regarding the choice of a new Secretary General?

A: Every member of NATO recognizes that the choice of a new Secretary General will have a significant impact on the future of the Alliance at this critical juncture in its history.

This is why it is essential that the right person be selected for the job.

It is also essential that any candidate for the position be acceptable to all 16 members of the Alliance. This is why the rule of consensus applies in such decisions.

We are continuing active consultations with our allies on possible candidates, but we have not yet reached a decision on whom the best candidate would be.

It would be inappropriate to comment on the content of these consultations. While no candidate has yet emerged who is acceptable to all Allies, neither has a rift developed over the selection process.

We and our Allies are committed to moving forward as rapidly as possible to find the right person for the job.

RUSSIA/NIS

Current Items

Yeltsin Heart Problem

-- President Yeltsin remains hospitalized, where he continues to see senior government officials. Expect he will be under medical supervision through November. Embassy Moscow in regular touch with

Russian officials; what Embassy has heard about Yeltsin tracks with what Russian officials saying publicly.

-- On November 6 in Israel, President asked Prime Minister Chernomyrdin to convey wishes for full recovery to Yeltsin. No other messages since October 26 get-well message -- our inclination to defer Presidential-level communications at this time, given Yeltsin's illness.

(Seeking Medical Treatment Outside Russia?)

-- Yeltsin spokesman has denied that Russians might seek treatment for Yeltsin outside of Russia. Russians have said nothing to us about wanting medical treatment in U.S.

Perry-Grachev Talks on Russia and Bosnia IFOR

-- Perry and Grachev agreed on November 8 on military framework under which Russian combat forces will participate in a Bosnia peace implementation operation. Warmly welcome this understanding, as we consider Russian participation in Bosnia peace implementation important and desirable.

(If pressed for details of arrangement, best to defer to Defense)

Change in Russian Central Bank Head

-- Ms. Paramonova played key role in reducing Russian inflation from 18 percent per month in January to less than five percent per month today, but Duma's failure to confirm her forced her departure.

-- Expect acting bank head Khandruev will work closely with Chernomyrdin and Deputy Prime Minister Chubays to sustain strong reform program.

General Items

U.S. Stake in Relationship

-- U.S. has vital stake in engaging Russia and supporting reform there. Matters greatly to us if Russia dictatorship or democracy, centrally planned or market-oriented economy.

-- Long-term strategy. Transformation underway will be complex, protracted. Struggle going on between those who support reform and those who oppose or fear change.

-- Engagement producing important successes: reducing nuclear threat, over 50% of Russian GDP now from private sector, no Russian troops in Central Europe or Baltics.

-- President's productive meeting with Yeltsin at Hyde Park on October 23 underscored stability, inner strength of U.S.-Russia partnership.

Cuts in/Conditions on Bilateral Aid

-- Have differences with Russians on important areas. Working hard to resolve these

-- But our assistance advances critical U.S. interests. It helps reformers succeed in building a democracy and a market economy, and it helps reduce nuclear threat to U.S. Not in our interest to cut this assistance.

Russian Concerns about NATO Enlargement

-- Understand Russia has concerns about NATO enlargement. Intend to manage enlargement

process in deliberate, transparent manner that threatens no country and strengthens security and stability of Europe as a whole.

-- Russia a key player in building stable, undivided Europe. Our goal is to develop NATO-Russia relationship in parallel with NATO's process of taking in new members. Robust

NATO-
Russia
relationship in interests of U.S., Europe and Russia.

Iran Reactor Sale

-- President has discussed Bushehr reactor sale with Yeltsin. Vice President and
Prime Minister
Chernomyrdin continuing serious dialogue on issue.

-- Have made clear and continue to stress our opposition to any nuclear
cooperation
with Iran,
given Tehran's ambitions to acquire nuclear weapons capability.

Chechnya

-- While formal Russian-Chechen talks have not resumed, sides conducting
informal working
meetings. Welcome Chernomyrdin's reaffirmation of commitment to pursue
negotiated settlement.

-- Dispute in Chechnya can only be resolved by negotiated settlement. Urge sides
to
work
together to implement military agreement and to find political solution.

CONVENTIONAL ARMED FORCES IN EUROPE (CFE) TREATY

ù Over the past weeks, the U.S., together with its Allies, has been actively
seeking
a solution to the CFE flank
issue, in Vienna, in Brussels, and in our bilateral discussions.

ù In this context, during the Grachev visit the two sides held extensive
discussions
on this crucial issue.

ù Grachev sought an informal U.S. reaction to various ideas Russia was
considering,
in terms of its response in
Vienna to the proposal NATO had tabled on September 22.

ù In the course of these discussions, Grachev and Perry reached an understanding

tha
 t Russia would not
 propose to exclude from the flank zone -- and thus from the flank limits -- the
 Leni
 ngrad oblast, which
 contains over 1900 tanks, artillery pieces and armored combat vehicles. For its
 par
 t, the U.S. agreed to be
 flexible with regard to other oblasts in the south Russia will propose be exempted
 f
 rom the flank zone.

ù Secretary Perry emphasized that any change to the flank zone can only be
 implement
 ed if it is approved by all
 30 states party to the CFE Treaty.

ù In coordination with NATO Allies, the U.S. now looks forward to a discussion
 of th
 e Russian proposal with
 the other CFE states, with the objective of concluding flank negotiations by
 Novembe
 r 17 -- the date when
 the flank limits take effect under the treaty.

TURKEY

Reactions to Ciller Vote of Confidence

ù We look forward to continuing our cordial relations with Prime Minister
 Ciller's g
 overnment.

ù Turkey remains a good friend and ally of the United States.

ù We strong support Mrs. Ciller's efforts to secure the Customs Union between
 Turkey
 and the EU and we
 strongly urge ratification by the European parliament later this fall.

Reactions to Acquittal of Amcit Reuters Reporter Aliza Marcus

ù We welcome the decision of the Turkish court to acquit Ms. Marcus on the
 grounds
 that her article on

Turkish military activities in southeastern Turkey did not violate Turkish law.

JERUSALEM BILL

Background: The Congressional Bill requiring the relocation of the US Embassy to Jerusalem becomes law today (7 November 1995) without the President's signature.

Q: Any comment on the Jerusalem legislation becoming law today?

A: The President has repeatedly pledged that he will take no action that could undermine the peace process.

He remains convinced that it is unwise for the United States to take actions that could be interpreted as prejudicing sensitive matters, such as Jerusalem, which the parties themselves have agreed to discuss only in the context of permanent status negotiations.

Consequently, as he indicated when the legislation was passed, the President did not sign this legislation.

(If asked)

The President has said he will exercise the waiver provisions of the bill as necessary or appropriate to ensure that no steps are taken that could be interpreted as preempting the negotiating process.

ISRAEL-CHINA TECH TRANSFER

Background: Illegal transfer of high-tech defense technology to the PRC by Israel to develop

F-10 aircraft.

ù I am not going to confirm the NBC story.

ù I can tell you that we have an ongoing dialogue with the Israelis on technology transfer. I will not go into the substance of that dialogue.

ù Secretary Perry did raise this issue with the late Prime Minister Rabin in January 1995.

ù Rabin responded he was committed to not letting it become an irritant to U.S.-Israel relations, and to resolving these issues.

PRESIDENTIAL COMMENTS ON HUMANITARIAN AID FOR IRAQ

Q: Did the President tell Arab-Americans Thursday that he would seek new ways to get

humanitarian aid to the Iraqi people?

A: The administration remains alert and sensitive to the suffering of the Iraqi people under Saddam Hussein. But it is Saddam Hussein who is ultimately responsible for that suffering, due to his refusal to avail himself of the mechanisms for securing humanitarian aid under the UNSC sanctions regime.

We remain alert to ways that we might channel aid to the people of Iraq, but we do not do that in the context of ensuring that the aid is received by the groups for which it is intended.

(Note: The President introduced nothing new during his meeting with Arab-Americans. He simply reiterated established USG policy in response to some specific questions from his guests.)

IRAN -- COMMENT ON JEFF SMITH ARTICLE

Q: Are we leaning toward tighter sanctions on Iran? What about the Administration's work with the Congress on a new covert action plan?

A.: With respect to any question concerning intelligence issues, we will have no comment.

With respect to our work with Congress on increasing the pressure on Iran, our policy is well known:

We view Iran as a potential threat to its neighbors and an enemy of the peace process. For that reason we have already taken a number of steps to increase pressure on Iran and to limit the resources available to Iran to foster terrorism and to attempt to derail the Middle East Peace Process.

As Under Secretary Tarnoff said yesterday in his testimony, we remain interested in working with the Congress to find new, effective ways to increase the pressure on Iran, to limit its resources, and ultimately to affect its behavior.

We are working closely with the Congress on this issue, seeking ways to increase that pressure consistent with our obligations to our partners and allies.

HAITI

Q: What is your comment on this morning's Post report of a "first overt U.S. display of disapproval of Aristide's management..." by the White House with respect to Haiti?

A: It is true that approximately \$4.6 million of \$45 million total in Balance of Payments support money has not been released by USAID to the Government of Haiti.

Not the result of any recent decision, or guidance from the White House.

The Balance of Payments support treaty that was signed with Haiti last April set certain conditions for each tranche of the money to be released.

Because of the recent change in government (resignation of PM Michel), Haiti has not been able to achieve all of the conditions specified for the last tranche. By law therefore, the money could not be released.

Haiti's new government confirmed yesterday. Expect forward progress when it gets its feet on the ground.

USG has been working closely with President Aristide and his government to encourage and assist their economic transition. Agencies: USAID, Commerce, Treasury, Agriculture

CUBA

Background: Washington Times story on exchanging Helms-Burton veto for political prisoners.

Q: Is there any truth to the Washington Times story that the USG offered to veto the

Helms-Burton bill if Castro would release some of his political prisoners?

A.: Absolutely none. No administration official and no one authorized to speak on behalf of the

administration has offered Castro or any representative of the Cuban government any "deal" to veto the Helms-Burton bill.

Whether that bill is signed or not will be decided on the merits of the legislation.

The Secretary of State has said that he would recommend that the President veto an earlier version of the bill. But at present, there are differing versions of the bill passed by the House and the Senate, and nothing has emerged from conference.

At this point, therefore, there's nothing before the President to consider.

Original Helms-Burton

- ù Encroached on the President's authority to conduct foreign policy by recklessly disregarding broader U.S. interests and relationships in ways that would be difficult to defend under international law.

- ù Would withhold World Bank and IDB contributions.

- ù Included extraterritorial extension of U.S. law, complicating the USG's ability to settle property and making it impossible for U.S. companies anywhere in the world to have confidence in their property agreements.

NIGERIA: EXECUTIONS CONFIRMED

Background: Nigeria's Provisional Ruling Council executed Ken Saro-Wiwa and eight of his colleagues for the alleged murder of four Ogoni leaders in 1994 on Friday. Both the President and the

State Department previously
issued statements condemning the verdicts and sentences which resulted from a
grave
ly flawed judicial process
conducted outside the traditional judicial system and without regard for due
process

The United States has recalled its ambassador for consultations, has issued a
direct
protest to the Nigerian
government, has banned all military sales and maintenance work, and will
continue it
s strict visa restrictions
against military members of the Nigerian government.

* * * *

STATEMENT BY THE PRESS SECRETARY

The United States strongly condemns the execution today of environmental and
human r
ights activist Ken
Saro-Wiwa and eight others accused of murder in May 1994. These executions
undersco
re the Abacha regime's
refusal to abide by the most basic international norms and universal standard of
hum
an rights.

The United States extends its sincere condolences to the families of those
executed.
Their deaths will be mourned
by friends and supporters around the world.

The United States has consistently deplored the inherent denial of due process
affor
ded by trials conducted before
special tribunals outside of the traditional judicial system. This latest action fo
llows the Government of Nigeria's
unacceptable transition to democratic governance announced on October 1. We
continu
e to be deeply troubled
by the lack of respect for human rights, prompt and credible steps taken by the
Gove
rnment of Nigeria to return
to democracy.

In response to these executions, President Clinton has recalled Ambassador
Carrington

n from Lagos for consultations. The White House has been in contact with the Nigerian Ambassador to the U.S. Zubair Mahmud Kazaure, to protest the executions. In addition, the President has banned the sale and repair of military goods and services to Nigeria and ordered the extension of visa restrictions to make all Nigerian military officers and their families subject to exclusion from the United States. Henceforth, Nigeria Government officials visiting the United Nations, the international financial institutions and IMF will be required to remain within 25 miles of the institution.

The United States reiterates its call on the Nigerian leadership to effect a swift and credible transition to a stable, civilian democracy that respects human rights.

###

MILITARY LEADERS URGE ACCELERATED 50% INCREASE IN MODERNIZATION

Background: The Washington Post reported on November 11 that the uniformed leaders of the armed forces, worried about aging weapons and equipment, have recommended a 50 percent increase in procurement spending, from \$40 billion at present to \$60 billion by Fiscal Year 1998. Administration plan for the same rise by 2001. The recommendation was included in General Shalikashvili's Chairman Program Assessment, recently submitted to Secretary Perry. The recommendation makes clear the military chiefs do not expect the added funds for modernization to come from higher overall defense spending but rather through cuts in some programs under development and other savings. Nor are the Chiefs suggesting reversing the priority given last year to readiness

over procurement. The biggest adjustments proposed by the Chairman would involve cutting back on competing service programs.

Points

- ù The President has pledged to maintain the best-equipped, best-trained, and best-prepared fighting force in the world.

- ù Post Cold War drawdown permitted us to retain the newest equipment from the large recapitalization and procurement period of the 1980s while retiring older, less useful systems.

- ù With drawdown nearly complete, modernization programs now receiving special attention in FY97-01 program review. In future years, recapitalization is a priority as many weapon systems approach obsolescence. That's why last December, President increased defense spending plan by \$25 billion.

- ù Agree with Defense Department's goal for an accelerated increase in planned procurement spending by achieving efficiencies and funding reductions in programs of lower priority from a warfighting perspective.

- ù (IF ASKED: "Is the military asking for an increase in the Defense Department's top line?":

- ù No, General Shalikashvili's recommendation makes clear the military chiefs do not expect added funds for modernization to come from higher overall defense spending but rather through cuts in some programs under development and other savings.)

START SPACE LAUNCH VEHICLES

Q: Has the United States agreed to "relax" START Treaty constraints to allow the export of ICBMs and SLBMs from Russia and Ukraine as space launch vehicles, as reported on November 10 by the Washington Times?

A: No, the story is not correct and in fact has it backwards.

Rather than making a "concession" on START or "relaxing" the Treaty, the U.S. secured an important success by persuading Russia to reaffirm and uphold the manner in which the Treaty as originally negotiated applies to space launch vehicles.

Specifically, the United States, along with Russia, Ukraine, Belarus and Kazakhstan, recently reaffirmed that space launch vehicles that use the first stage of a START Treaty-limited ICBM or SLBM are subject to all relevant Treaty provisions -- including the ban on transferring such missiles to other countries.

The START Treaty does not prohibit a Treaty party from establishing a space launch facility outside its national territory. However, the Treaty party must maintain ownership and control of both the Treaty-limited missiles and launchers at all times, and cannot sell them to another party.

[If asked about the "U.S. Government White Paper" that is extensively quoted in the article]

We are not aware of the "white paper" that is referred to in the article.

EXPERIMENTS AT THE NEVADA TEST SITE

Q: Secretary O'Leary announced on October 27 that she was directing the

conduct of
"subcritical" high-explosive experiments with nuclear materials at the Nevada
Test Site (NTS).
Doesn't this undermine the President's commitment to a "zero yield"
Comprehensive Test Ban Treaty
(CTBT)?

A: The Secretary's decision to approve the conduct of subcritical experiments at the NTS is completely consistent with the President's "zero yield" decision announced in August.

The purpose of these experiments is to help ensure the safety and reliability of the U.S. nuclear arsenal in the absence of nuclear testing. They have been specifically designed NOT to reach nuclear criticality, that is, there will be no nuclear chain reaction and therefore no nuclear explosion.

[If asked: Why are you conducting these experiments underground at the NTS?]

Nevada has unique facilities and capabilities for supporting subcritical experiments.

Conducting these experiments at the NTS will also help maintain the basic capability to resume nuclear test activities, which is one of the CTBT safeguards announced by the President on August 11.

RUSSIAN CHEMICAL WEAPONS PROLIFERATION INVESTIGATION

Background: There have been press reports in recent days that Russian authorities are investigating the possibility that a former Russian General, Anatoli Kuntsevich, illegally provided chemical weapons materials to buyers in the Middle East. In a letter to the President this week, Senator Helms seized on the is

sue as a (new) justification for continuing to hold the Chemical Weapons Convention hostage.

Q: Do you have any further information on press reports that Russia is investigating the possible smuggling of chemical weapons materials by former General Kuntsevich?

A: We too have seen press reports about the investigation.

They indicate that Russian authorities are conducting a criminal investigation of the matter.

Accordingly, it might be more appropriate to direct inquiries to the Russian Government on this.

Q: Is the U.S. assisting the investigation?

A: The smuggling of materials for weapons of mass destruction, whether nuclear, chemical or biological, is of vital concern to the U.S.

Press reports indicate that Russian law enforcement authorities are investigating the matter. If there is anything we can do to be of assistance, we obviously would be prepared to consider it.

Q: Is it true that the chemical materials were smuggled to the Middle East?

A: The Russian Government has this matter under investigation.

We do not know what the outcome of that investigation will be.

Q: Is it true that Senator Helms is holding the Chemical Weapons Convention hostage over this issue?

A: Senator Helms has expressed concern over this issue.

We share those concerns.

That said, rather than being an argument against the CWC, this underscores why it is so important for the U.S. to ratify it quickly.

Q: How does the CWC help deal with problems such as this?

A: The CWC imposes a legally-binding prohibition on assisting others to acquire chemical weapons.

In addition, it requires Parties to monitor and report on transfers of the chemicals that can be used to make chemical weapons.

It also prohibits Parties from transferring to non-Parties key chemical weapons precursors.

The treaty also requires that Parties enact domestic legislation imposing real penalties on those who violate these or any other treaty obligations.

Perhaps most importantly, the treaty's routine and challenge inspection provisions will provide access to information that could reveal or even confirm a potential transfer problem.

In sum, if the CWC were in force today in Russia and other countries, it would be both more difficult and more costly for proliferators to carry out the activities for which Kuntsevich reportedly is being investigated.

As the President has done on repeated occasions, we urge the Senate to move forward with ratification of this vital treaty.

CHEMICAL WEAPONS

Background: Today's Washington Post reports that SFRC Chairman Jesse Helms has concerns about the Chemical Weapons Convention and is prepared to block its ratification "indefinitely." The story notes that

enthusiasm for the treaty is waning in other countries because of the U.S. failure to ratify and states that if the treaty falls by the wayside, it would represent a triumph of one determined legislator over a decade-long bipartisan consensus in support of the treaty.

Q: Do you have any comments on the story in today's Washington Post about ratification of the Chemical Weapons Convention?

A: Chemical weapons proliferation poses a serious danger to U.S. national security and that of our friends and allies. The Chemical Weapons Convention will make it harder and more costly for proliferators and terrorists alike to acquire chemical weapons by outlawing the development, production, stockpiling and use.

Q: Aides to Senator Helms say that Senator is prepared to block ratification "indefinitely". What is your view of this?

A: The CWC has enjoyed and continues to enjoy strong bipartisan support in the U.S. It was negotiated under President Reagan, concluded and signed under President Bush, and submitted to the Senate by President Clinton.

In recent weeks, Senators Lugar, Nunn, Kassebaum, Glenn, Biden, Levin and others have pressed the case for CWC ratification. They have been joined by an impressive group of former Administration officials, including Brent Scowcroft, Larry Eagleburger and Ron Lehman.

The strong support for the CWC on the part of these and other top officials underscores a simple fact: the CWC is in our national security interests, and we need it now.

Q: What will happen to the CWC if the U.S. does not ratify?

A: To date, 159 countries have signed the CWC and 42 have ratified it. However, many other countries are waiting and watching to see if the U.S. will ratify before completing their own ratification efforts. U.S. leadership is critical to reaching the threshold of 65 ratifications necessary to bring the CWC into force.

Q: Why hasn't the Senate ratified yet?

A: Since November 1993, when the CWC was submitted to the Senate, nine hearings have been held on the treaty, the last of which was in August 1994.

In September 1995, the Senate adopted a "Sense of the Senate" amendment calling for prompt ratification of CWC (and START II).

As far as obstacles to Senate action are concerned, we would simply note that the full Senate ought to be given the opportunity to carry out its Constitutional responsibility to provide its advice and consent to ratification.

The CWC should be debated on its merits, fully and openly by the entire Senate. We should not allow this vital agreement to slip away simply by default -- because the full Senate was denied the opportunity to debate the Convention fully and openly.

We are confident that, if given the chance, the Senate will come to the same conclusion as the Reagan, Bush and Clinton Administrations -- that the CWC is in our national security interests and should be ratified promptly.

M S M a i l

DATE-TIME 14 November 95 19:50
FROM Wozniak, Natalie S.
CLASSIFICATION UNCLASSIFIED
SUBJECT November 14 Press Guidance [UNCLASSIFIED]
TO Beardsley, Tyler S.
Reed, George
Woolston, Ann E.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY [[NOV14GUI.DOC : 4874 in NOV14GUI.DOC]]

**ATTACHMENT
FILE DATE** 14 November 95 19:49
**ATTACHMENT
FILE NAME** NOV14GUI.DOC
NATIONAL SECURITY AFFAIRS GUIDANCE

November 14, 1995

FAR EAST
Osaka/Japan Trip
Okinawa

EUROPE
Bosnia/Croatia
Ireland
NATO Secretary General
Russia
CFE
Turkey

MIDDLE EAST
MEPFA Extension
Jerusalem
Israel-China Tech Transfer
Iraq Sanctions
Iran

CENTRAL AMERICA

Haiti
Cuba

AFRICA
Nigeria

MISCELLANEOUS
POW
Military Modernization
START Space Launch Vehicles
Experiments at Nevada Test Site
CWC
Chemical Weapons

OSAKA/JAPAN TRIP

Q: If you consider Asia (and Japan in particular) as important as you say, why did you cancel your important bilateral meetings in Osaka and cut short your State Visit to Japan?

A: It is precisely because the President considers the Asia-Pacific region in general and the Japan relationship in particular to be so important that he is still going both to APEC and the state visit to Japan.

Just as he won't walk away from his principles and programs in the budget confrontation with the Congress, he won't walk away from his commitment to a strong priority in U.S. foreign policy for the Asia Pacific region.

Therefore, POTUS felt it best to shorten his trip in order to deal with the budget situation here but not to cancel it entirely, which might have been wrongly interpreted by some as a signal of lesser U.S. interest in the Asia-Pacific region.

OKINAWA

ù It's important to distinguish between the justified emotional outpouring resulting from the tragic incident on Okinawa and the more fundamental issue of continued Japanese support for the US-Japan security alliance.

ù While I don't believe it's appropriate for me to comment any further about the incident itself while the trial is ongoing, I should point out that every senior American official, from President Clinton, Secretary Perry and Ambassador Mondale on down, has publicly expressed regret over this incident.

ù In terms of underlying support for the security relationship, that certainly remains strong, both within the Japanese Government and the Japanese people as a whole.

ù Just last week, Secretary Perry visited Japan, during which he and his Japanese counterpart, Minister Eto, held a press conference in which they both publicly expressed their support for the continued presence of 47,000 US troops in Japan.

ù At a subsequent meeting, Prime Minister Murayama indicated to Secretary Perry that he agreed with this.

ù The bottom line is that the Japanese Government is not asking us to reduce our troop presence, because it recognizes that this presence is crucial to Japan's own interest in the preservation of peace and stability in Asia.

BOSNIA/CROATIA

Agreement on the Region of Eastern Slavonia

ù Transitional period of 12 months which may be extended for 12 months.

ù UN Security Council requested to establish a Transitional Administration.

ù UN Security Council requested to authorize an international force to deploy during the transitional period to maintain peace and security and assist in implementation of this agreement.

ù Transitional Administration shall help establish and train temporary police forces

ù All persons have the right to return freely to their place of residence in the Region and to live in conditions of security.

ù Not later than 30 days before the end of the transitional period, elections for all local government bodies shall be organized by the Transitional Administration.

ù The Government of Croatia shall cooperate fully with the Transitional Administration and the international force.

If asked whether IFOR is to be the international force

ù The international force and its composition has not been determined. The UN Security Council must first authorize an international force. IFOR does not have a mission to implement an agreement in Eastern Slavonia.

Federation in Dayton

ù Secretary Christopher flew to Dayton Thursday to announce decisions that bring the Bosnian/Croat Federation to life.

ù President Tudjman witnessed the signing. Izetbegovic and Zubak signed it. The two mayors of Mostar and Mostar's EU administrator signed it.

ù The U.S. representative to the Federation, Daniel Serwer, played a key role in negotiating this agreement.

ù This is the first concrete result to flow from Dayton, but we hope and expect it will not be the last.

ù Secretary Christopher remained in Dayton Friday for further discussions with the parties. He returned to Washington Friday night.

ù Through his work, and that of Dick Holbrooke, Ambassador Galbraith and Special Negotiator Stoltenberg, the parties were able to reach agreement Sunday on a peaceful arrangement in the return of Eastern Slavonia to Croatian control, following a year of UN supervision.

Sanctions Relief

ù Izetbegovic and Milosevic requested immediate resumption of natural gas deliveries to both Bosnia and Serbia on humanitarian grounds and as a confidence building measure.

ù U.S. working with Contact group members for action at the UNSC under existing humanitarian exemption.

ù This is a humanitarian gesture to provide heating fuel in response to severe winter conditions.

ù Delivery is for two months.

ù Action is similar to one last year where relief was provided for humanitarian reasons.

ù (If asked about sanctions suspension) This will take a full UNSCR and our position has not changed-we will support suspension when there is a peace agreement.

Release of David Rohde

ù David Rohde of the Christian Science Monitor was released Wednesday by the

Bosnian
Serbs to our

Embassy in Belgrade.

ù We are happy for his release and glad that he is safe and can return to his family

ù Freedom of the press is very important to the U.S.

ù We condemn the actions of the Bosnian Serb authorities. Their behavior throughout this incident, including their failure to admit for several days they were holding Mr. Rohde, has been utterly irresponsible, especially in light of the ongoing peace negotiations in Dayton.

Intelligence Sharing with the Bosnian War Crimes Tribunal

ù The U.S. intelligence community is not "sitting on" information that may be of use to the Tribunal prosecutor.

ù A coordinated Intelligence Community process in place since spring to manage handling of requests for information/classified responses to requests. We provide available information even in the absence of a specific request.

ù U.S. has not withheld any intelligence with the intent to prevent the prosecution of any war criminals including Mladic and Karadzic.

ù Talks in Dayton have had no bearing whatsoever on our commitment to support and assist the War Crimes Tribunal in every way its efforts to bring war criminals to justice.

ù Reporting such information is time-consuming, but we make a strenuous effort to respond as rapidly as possible.

ù We will find a way to get the Tribunal the information it needs.

Atrocities

- ù Continue to condemn these gross violations of human rights.
- ù Led vigorous effort to uncover/publicize evidence of war crimes in Balkans.
- ù Shattuck three times raised issue with Serbs.
- ù War crimes indictments not negotiable. In fact, the Tribunal today announced additional indictments.
- ù Actively support investigating international organizations (UNHCR , Red Cross).
- ù Stopping atrocities one main reason for active U.S. role in the peace negotiations

Proximity Talks

- ù Proximity talks are continuing. We're keeping the public informed on the talks through a single spokesman at the State Department. For details on yesterday's activities, refer to State daily report.
- ù President said to team on October 31 before the talks began, this is a defining moment for Bosnia.
- ù Only the parties to this terrible conflict can end it.
- ù In Dayton, our diplomats face a tremendous challenge. There is no guarantee they will succeed. American leadership key to success.
- ù Talks co-chaired by Holbrooke/Bildt. Goal to secure final peace agreement that parties will initial in Dayton.
- ù Balkan parties: Presidents Izetbegovic, Tudjman, and Milosevic plus Contact Group partners.
- ù Intensive U.S. /CG diplomacy - parties agreed Geneva (9/8/95)/New York (9/26/95) to settlement basic

principles: Bosnia as single state; 51/49 basis for territorial solution; constitutional structure; democratic elections; and subsequently to cease-fire

ù Difficult issues still to be resolved: (i) internal boundary for Bosnian-Croat Federation/Serb Republic; (ii) Sarajevo status; (iii) practical steps to separate forces /ceasing hostilities; (iv) election procedures.

ù After Dayton, next steps: Paris international peace conference and implementation conference in London. May be meetings after Paris before final settlement signed.

ù No set duration.

Peace Plan Implementation

ù NAC approved concept of ops for IFOR.

ù Detailed planning by NATO Military Authorities proceeding; Joulwan briefed President and national security team on state of NATO'S plans.

ù Number of forces for operation not determined - will depend on peace agreement modalities.

ù NATO briefed UN, UN Peace Force contributors, and interested PFP countries contributions by non-NATO countries would be welcome.

ù Churkin attended "16-plus-one" with NAC to discuss NATO's planning.

ù Concept of ops 5 phases:

- Phase I: Preparation Phase. Presently in this phase now.

- Phase II: Entry. Begin after signing of peace agreement. Military forces would deploy to area by sea/land.

- Phase III: Implementation. Deployment of forces in country to secure critical areas and man outposts.

- Phase IV: Transition to Peace. Initial robust forces slowly drawdown over year
a
s peace
agreement took affect.

- Phase V: Exit. Orderly hand over of commitments to appropriate civilian
organiza
tions and

withdrawal of IFOR and equipment.

War Criminals

ù IFOR mission is to implement the peace agreement.

ù Pursuing war criminals not in mission, but will take into custody if come into
con
tact.

Military Stabilization

ù Our goal to establish stability on ground by time IFOR completes mission. One
key
is to ensure settlement
does not break down after IFOR leaves.

ù Preference for balance of forces between Federation/Bosnian Serbs through
arms con
trol measures that
provide for a "build-down."

ù Arms control by itself unlikely to achieve stable balance, prepared to
equip/train
Federation forces to ensure
effective self-defense capability (DoD has details on contracting).

ù Effort separate from NATO-led implementation force. First step: lifting of arms
e
mbargo.

New Ethnic Cleansing/Reports of Mass Graves

ù U.S. has/will continue to investigate and provide information to UN/War
Crimes Tri
bunal regarding violations
of international human rights and humanitarian law in a timely manner.

ù Shattuck documented evidence of Bosnian Serb atrocities. Last August, went to
Cen
tral/Northeastern Bosnia,

collected eyewitness accounts of mass executions, beatings, rape and other violation
s of human rights and
international humanitarian law. Shattuck just returned to region to interview refugees in Zenia.

ù Albright presented to UN Security Council compelling evidence gathered by US. Evidence based on US intelligence and photographic intelligence, strongly suggested mass grave sites in Srebrenica.

ù Actively support international organizations like UNHCR and Red Cross to document fate and whereabouts of missing persons.

12-Month IFOR Time Limit

ù U.S. position: IFOR military aspects should have finite duration (NATO/NAC accept ed)

ù Believe military aspects accomplished in about one year.

ù Will not make final decision on duration until final peace agreement/completed OPL AN.

ù 12 months NATO planning figure not been formally adopted by Alliance.

ù One year sufficient to establish stable ground situation.

ù Desire to create stable balance through arms reductions, but this will also require some military support for Federation forces to ensure they have an effective self-defense capability.

Russian IFOR Participation

ù Perry/Grachev reached agreement on Russian participation of IFOR. Russian forces will come under the operational command of a Russian general officer who will report to General Joulwan as overall commander of IFOR. The Russian Brigade will be folded into an American division which will exercise tactical control. The Russians will retain national command over their forces as other nations that pa

rticipate in IFOR.

ù Russia and U.S. may also participate in a special force that will deploy 30 days
a
fter IFOR. That force will
work on transport, logistics.

ù Prefer NATO/Russian forces not separated between Federation and Serb areas.

Dole and Gingrich Bosnia Letter

ù Administration wants to work with public and Congress so that we can have
bipartis
an consensus if and when
a peace agreement is reached.

ù We are now engaged in intensive consultations with Congress, given prospect
of U.S
. participation in
NATO-led force to implement a peace settlement.

ù President will request expression of Congressional support for U.S.
participation
in implementation of a
settlement.

ù At sensitive point in our efforts to negotiate a political settlement to conflict
in Bosnia.

ù We all share an interest in ensuring that settlement is one American people can
su
pport.

ù This is issue of huge consequence -- for Bosnia, for NATO, and for U.S.
leadership

ù Whole world watching not only what parties do at Dayton, but how we, the
U.S., wil
l deal with biggest
security challenge in Europe since WWII. Without American leadership, a peace
agree
ment is sure to fail.

ù Critically important that members of Congress and public keep an open mind

over the
 next few weeks as peace is
 negotiated. We won't have a clear picture of the requirements and risks until
 an agree-
 ment is reached. When we
 do, we will present details of our plan, and President will seek public and
 Congressional
 support.

Points We Have Made

- ù It is in our interest to have broadest possible based of public support -- in both parties
- ù -- for U.S. role in implementation of settlement if we achieve one. Want to hear your views.
- ù Despite many hurdles to overcome, believe we have best chance in four years to reach settlement. U.S. leadership, so critical to achieving peace, will be critical to implementation as well.
- ù Remain firmly convinced that only NATO can effectively enforce military aspects of settlement. NATO presence is essential to creating secure environment in which political and economic rebuilding can begin.
- ù As leader of NATO, U.S. has to be involved. Our interests are very much at stake:
 Our engagement essential to prevent spread of conflict, achieve lasting peace.
- ù First, and most important, there won't be a peace agreement unless NATO enforces it.
- ù We believe the parties can reach a mutually acceptable peace settlement. But even if they do, they all recognize the need for an international implementation force to stabilize the situation and build confidence so that peace can take hold.
- ù NATO is the only organization capable of playing this role.
- ù Second, if NATO takes on the implementation mission but we do not

participate, it
will be the end of NATO
and of U.S. leadership on transatlantic security issues.

ù Some argue that Bosnia is a European problem so the Europeans should take care of it. This may sound attractive, but the reality is that we have a deep interest in European security.

ù The United States was drawn into two world wars and a 50-year Cold War because of threats to security and stability in Europe. The lessons of history are clear -- U.S. leadership is essential for Europe to solve its problems.

ù And third, the risks of participating in the implementation force must be weighed against the risk of an expanded war if the peace process fails.

ù The dangers of spillover are real.

ù The only way to prevent the spread of conflict and future massacres of innocents is to seize this opportunity when all parties may be willing to accept an agreement -- and to recognize that the only way to make the agreement stick is for NATO, with the U.S. in the lead, to provide the stability necessary in the first months after the settlement.

ù We will make sure terms of agreement are enforceable and that parties themselves accept the mission and robust ROE that NATO implementation force (IFOR) must have.

ù Let me emphasize a few key points:

ù IFOR will have carefully defined mission, clear chain of command with no "dual key," and authority to use force against any violation.

ù Forces will not be predominantly American: Europeans and other non-Americans will provide 2/3 of troops.

ù Hope Russians and other Partnership for Peace countries will also participate.

An
y combat forces, however, must
be under NATO operational or tactical control.

ù We will have a clear exit strategy and will be careful to guard against mission
cr
eep.

ù Part of exit strategy to establish stability on ground by time IFOR completes
miss
ion. This will be one of the
keys to ensuring settlement does not break down after IFOR leaves.

- Preference is to establish balance of forces between Federation and Bosnian
Serbs
through arms control
measures that provide for a "build-down."

- Arms control by itself unlikely to achieve stable balance, so we are prepared to
e
quip/train Federation
forces to ensure they have effective self-defense capability.

- Effort will be separate from NATO-led implementation force and will need to
carefu
lly managed to avoid
any risks to the IFOR and to avoid stimulating a regional arms race. First step: li
fting of arms embargo.

ù Expect NATO mission can be completed in about a year, but need to see
agreement an
d NATO plan before
making such commitment.

ù International community can create opportunity for parties to make durable
peace,
but ultimate responsibility is
theirs.

IRELAND

U.S. Role

ù We are committed to working with the two governments and the parties to help

in th
e search for peace.

ù Thankful there has been a year in which the guns and bombs are silent.

ù First time in a generation there is real hope for a lasting peace and a more prosperous future. People of Belfast are finally living a normal life.

ù One can literally say that there are individuals walking the streets in Belfast alive today who would not be had we not gotten involved. American engagement has been an essential ingredient in the search for peace.

U.S. Meetings

ù UUP leader Trimble met with the Vice President November 1. The President joined them for part of the meeting. The focus of the discussion was the peace process in Northern Ireland. Part of our continuing efforts to maintain contacts with all of the parties.

ù We have had a number of contacts over the last several weeks about how to move the peace process forward.

ù Sinn Fein President Gerry Adams recently met with National Security Advisor Anthony Lake. The Vice President joined them for part of the meeting.

ù The Vice President and Mr. Lake met with UK Minister of State for Northern Ireland Michael Ancram.

ù On September 29, the President saw Irish Deputy Prime Minister, Dick Spring, who was at the White House for a meeting with the Vice President.

ù The Deputy Assistant to the President for National Security Affairs, Nancy Soderberg, recently conducted a round of consultations with all parties in Ireland and the UK.

ù The National Security Advisor, Anthony Lake, held consultations in London with the British Government on Bosnia, Northern Ireland and other issues October 16-19. While there, he also met Northern Ireland political leaders, David Trimble of the UUP and John Hume of the SDLP..

ù We are hopeful a way can be found to move things forward. Contacts with all the parties are continuing. We are not prepared to go into any detail. NSA Lake's Trip to London

ù NSA Lake was in London week October 16-19. He was there for consultations with the British Government on Bosnia, Northern Ireland, the President's trip, and other issues. While there, he also met with Northern Ireland political leaders.

ù If asked: Mr. Lake was accompanied by Deputy NSA Nancy Soderberg and Director for European Affairs Mary Ann Peters.

Twin Track

ù We see a basis for progress in the "twin-track" proposal to begin inclusive talks between the British and Irish Governments and the Northern Ireland political parties and to establish an international body to address the issue of decommissioning the paramilitaries' weapons.

ù We will continue to encourage all sides to be flexible and find a way to move the process forward.

British Stalling on Talks?

ù As we have said, we hope that momentum will have been restored to the process by the time the President visits Northern Ireland at the end of November.

ù We believe Prime Minister Major is committed to achieving a lasting peace in Northern Ireland.

Position on Decommissioning:

ù On decommissioning of weapons, we have said that parties observing the cease-fire "must take the next step and begin to discuss serious decommissioning." We have made clear to Sinn Féin and loyalists that we expect movement on this issue.

Senator Mitchell to Chair Commission on Decommissioning?:

ù The two governments and parties are discussing the proposal. Have not yet made a decision.

ù It's premature to discuss any U.S. Government or private citizen role until there is a formal decision.

Comments of new UUP leader Trimble on twin track?

ù Trimble's speech of October 21 represented no change in the unionist position of opposition to the twin track approach.

ù Our view is that twin track strategy of the British and Irish Governments offers the best prospect for moving the peace process forward.

ù Looking forward to working with Mr. Trimble as we have with the Unionists over the past year.

Paisley Visit

ù Paisley met with NSA Lake and VP Gore October 27.

Deportations

[Irish groups mounting a campaign against deportation of former IRA members, some who are married to U.S. citizens and/or have U.S. children. U.S. law provides no flexibility in prohibiting permanent residency to those linked to terrorism. We are looking into possible legislative waivers.]

ù Issue recently brought to our attention.

ù Law provides no flexibility on many cases.

ù Staff reviewing issue.

SUCCESSOR TO NATO SYG CLAES

ù The decision to withdraw former Prime Minister Lubbers' candidacy for the position of NATO Secretary General was for the Dutch Government to make.

ù We have the highest regard for Mr. Lubbers. He has been a good friend and reliable ally of the United States who served his country with distinction as Prime Minister for more than a decade.

ù His leadership contributed to the strength of the NATO Alliance and the transatlantic relationship, including the decisions taken at the January 1994 NATO Summit.

ù We have not made any decision on who would make the best candidate for the position of NATO Secretary General and are continuing to consult with our Allies.

ù The final decision will, of course, require a consensus among all 16 members of the Alliance.

(If pressed on whether U.S. rejected Lubbers' candidacy):

ù It would be inappropriate to comment on the confidential discussions that are taking place within the Alliance on this matter.

Q: Is there a rift in the Alliance regarding the choice of a new Secretary General?

A: Every member of NATO recognizes that the choice of a new Secretary General will have a significant impact on the future of the Alliance at this critical juncture in its history.

This is why it is essential that the right person be selected for the job.

It is also essential that any candidate for the position be acceptable to all 16 members of the Alliance. This is why the rule of consensus applies in such decisions.

We are continuing active consultations with our allies on possible candidates, but we have not yet reached a decision on whom the best candidate would be.

It would be inappropriate to comment on the content of these consultations.

While

no

candidate has yet emerged who is acceptable to all Allies, neither has a rift developed over the selection process.

We and our Allies are committed to moving forward as rapidly as possible to find the right person for the job.

RUSSIA/NIS

Current Items

Yeltsin Heart Problem

-- President Yeltsin remains in hospital but taking on increasingly active schedule.

Met today

(November 14) with Prime Minister Chernomyrdin and Kazakhstani President Nazarbayev.

Embassy

Moscow in touch with Russian officials; what Embassy has heard from them about Yeltsin

in tracks with

what Russian officials saying publicly.

(Seeking Medical Treatment Outside Russia?)

-- Yeltsin spokesman has denied that Russians might seek treatment for Yeltsin outside

of Russia,

and Yeltsin has denied that he needs heart surgery. Russians have said nothing to

u

s about wanting
medical treatment in U.S.

Perry-Grachev Talks on Russia and Bosnia IFOR

-- Perry and Grachev agreed on November 8 on military framework under which
Russian
combat
forces will participate in a Bosnia peace implementation operation. Warmly
welcome
this understanding,
as we consider Russian participation in Bosnia peace implementation important
and de
sirable.

(If pressed for details of arrangement, best to defer to Defense)

General Items

U.S. Stake in Relationship

-- U.S. has vital stake in engaging Russia and supporting reform there. Matters gr
eatly to us if
Russia dictatorship or democracy, centrally planned or market-oriented economy.

-- Long-term strategy. Transformation underway will be complex, protracted.
Strugg
le going on
between those who support reform and those who oppose or fear change.

-- Engagement producing important successes: reducing nuclear threat, over 50%
of R
ussian
GDP now from private sector, no Russian troops in Central Europe or Baltics.

-- President's productive meeting with Yeltsin at Hyde Park on October 23
underscore
d stability,
inner strength of U.S.-Russia partnership.

Cuts in/Conditions on Bilateral Aid

-- Have differences with Russians on important areas. Working hard to resolve
these

-- But our assistance advances critical U.S. interests. It helps reformers succeed
in building a
democracy and a market economy, and it helps reduce nuclear threat to U.S. Not
in o

ur interest to cut
this assistance.

Russian Concerns about NATO Enlargement

-- Understand Russia has concerns about NATO enlargement. Intend to manage enlargement process in deliberate, transparent manner that threatens no country and strengthens security and stability of Europe as a whole.

-- Russia a key player in building stable, undivided Europe. Our goal is to develop NATO-Russia relationship in parallel with NATO's process of taking in new members. Robust NATO-Russia relationship in interests of U.S., Europe and Russia.

Iran Reactor Sale

-- President has discussed Bushehr reactor sale with Yeltsin. Vice President and Prime Minister Chernomyrdin continuing serious dialogue on issue.

-- Have made clear and continue to stress our opposition to any nuclear cooperation with Iran,

given Tehran's ambitions to acquire nuclear weapons capability.

Chechnya

-- While formal Russian-Chechen talks have not resumed, sides conducting informal working meetings. Welcome Chernomyrdin's reaffirmation of commitment to pursue negotiated settlement.

-- Dispute in Chechnya can only be resolved by negotiated settlement. Urge sides to work together to implement military agreement and to find political solution.

CONVENTIONAL ARMED FORCES IN EUROPE (CFE) TREATY

ù Over the past weeks, the U.S., together with its Allies, has been actively seeking a solution to the CFE flank issue, in Vienna, in Brussels, and in our bilateral discussions.

ù In this context, during the Grachev visit the two sides held extensive discussions on this crucial issue.

ù Grachev sought an informal U.S. reaction to various ideas Russia was considering, in terms of its response in Vienna to the proposal NATO had tabled on September 22.

ù In the course of these discussions, Grachev and Perry reached an understanding that Russia would not propose to exclude from the flank zone -- and thus from the flank limits -- the Leningrad oblast, which contains over 1900 tanks, artillery pieces and armored combat vehicles. For its part, the U.S. agreed to be flexible with regard to other oblasts in the south Russia will propose be exempted from the flank zone.

ù Secretary Perry emphasized that any change to the flank zone can only be implemented if it is approved by all 30 states party to the CFE Treaty.

ù In coordination with NATO Allies, the U.S. now looks forward to a discussion of the Russian proposal with the other CFE states, with the objective of concluding flank negotiations by November 17 -- the date when the flank limits take effect under the treaty.

TURKEY

Reactions to Ciller Vote of Confidence

ù We look forward to continuing our cordial relations with Prime Minister Ciller's government.

ù Turkey remains a good friend and ally of the United States.

ù We strongly support Mrs. Ciller's efforts to secure the Customs Union between Turkey and the EU and we strongly urge ratification by the European parliament later this fall.

Reactions to Acquittal of Amcit Reuters Reporter Aliza Marcus

ù We welcome the decision of the Turkish court to acquit Ms. Marcus on the grounds that her article on Turkish military activities in southeastern Turkey did not violate Turkish law.

MEPFA EXTENSION

ù President signed fourth short-term extension of Middle East Peace Facilitation Act (MEPFA) on November 13; POTUS subsequently signed a Presidential Determination exercising his authority under the Act to find that it is in the national interest to suspend certain legislative restrictions on the PLO through December 31, expiration date of this extension.

ù This is the fourth short-term MEPFA extension. The last extension expired October 31; Congress did not pass the new authority until November 10. The only practical effect of the lapse in suspension of restrictions on the PLO was the closing of the PLO office in DC; that office will now be able to reopen.

ù Aid to the Palestinians was not affected; no disbursements were planned during the period of the lapse. Our diplomatic exchanges with the PLO are unaffected by the MEPFA.

ù Administration supports long-term extension of MEPFA; such an extension is current
ly part of the Foreign
Ops Appropriations Bill, awaiting further Hill action.

JERUSALEM BILL

Background: The Congressional Bill requiring the relocation of the US Embassy to Jerusalem becomes law today
(7 November 1995) without the President's signature.

Q: Any comment on the Jerusalem legislation becoming law today?

A: The President has repeatedly pledged that he will take no action that could undermine the peace process.

He remains convinced that it is unwise for the United States to take actions that could be interpreted as prejudicing sensitive matters, such as Jerusalem, which the parties themselves have agreed to discuss only in the context of permanent status negotiations.

Consequently, as he indicated when the legislation was passed, the President did not sign this legislation.

(If asked)

The President has said he will exercise the waiver provisions of the bill as necessary or appropriate to ensure that no steps are taken that could be interpreted as preempting the negotiating process.

ISRAEL-CHINA TECH TRANSFER

Background: Illegal transfer of high-tech defense technology to the PRC by Israel
t
o develop
F-10 aircraft.

ù I am not going to confirm the NBC story.

ù I can tell you that we have an ongoing dialogue with the Israelis on technology
tr
ansfer. I will not go into
the substance of that dialogue.

ù Secretary Perry did raise this issue with the late Prime Minister Rabin in
January
1995.

ù Rabin responded he was committed to not letting it become an irritant to U.S.-
Isra
el relations, and to
resolving these issues.

PRESIDENTIAL COMMENTS ON HUMANITARIAN AID FOR IRAQ

Q: Did the President tell Arab-Americans Thursday that he would seek new ways
to get

humanitarian aid to the Iraqi people?

A: The administration remains alert and sensitive to the suffering of the Iraqi
peop
le under Saddam
Hussein. But it is Saddam Hussein who is ultimately responsible for that
suffering,
due to his refusal to
avail himself of the mechanisms for securing humanitarian aid under the UNSC
sanctio
ns regime.

We remain alert to ways that we might channel aid to the people of Iraq, but we
do t
hat in the context of
ensuring that the aid is received by the groups for which it is intended.

(Note: The President introduced nothing new during his meeting with Arab-
Americans.
He simply reiterated

established USG policy in response to some specific questions from his guests.)

IRAN -- COMMENT ON JEFF SMITH ARTICLE

Q: Are we leaning toward tighter sanctions on Iran? What about the Administration's work with the Congress on a new covert action plan?

A.: With respect to any question concerning intelligence issues, we will have no comment.

With respect to our work with Congress on increasing the pressure on Iran, our policy is well known:

We view Iran as a potential threat to its neighbors and an enemy of the peace process. For that reason we have already taken a number of steps to increase pressure on Iran and to limit the resources available to Iran to foster terrorism and to attempt to derail the Middle East Peace Process.

As Under Secretary Tarnoff said yesterday in his testimony, we remain interested in working with the Congress to find new, effective ways to increase the pressure on Iran, to limit its resources, and ultimately to affect its behavior.

We are working closely with the Congress on this issue, seeking ways to increase that pressure consistent with our obligations to our partners and allies.

HAITI

Q: Are we seeing an increase in violence and/or a breakdown in order in Haiti?

A: The events of the past week -- Parliamentarian Feuille's murder last Tuesday,

the
 police raid on
 former President Avril's home that evening, President Aristide's emotional
 remarks a
 t Feuille's funeral
 (Feuille was a second cousin), and crowd violence in Les Cayes, Gonaives and
 Port-au
 -Prince through
 the weekend -- show that we cannot let down our guard with respect to Haiti. We
 bel
 ieve that the
 violence over the weekend was the result of the unique combination of events,
 and no
 t part of any
 larger pattern. Senior U.S. and UN officials are working closely with President
 Ar
 istide and his
 government to calm popular emotion and continue planning toward economic
 reform, a
 Presidential
 election in December/January, and inauguration of a new President in February.

Q: What is your comment on this morning's Post report of a "first overt U.S.
 display
 of
 disapproval of Aristide's management..." by the White House with respect to
 Haiti?

A: It is true that approximately \$4.6 million of \$45 million total in Balance of
 Pay
 ments support
 money has not been released by USAID to the Government of Haiti.

Not the result of any recent decision, or guidance from the White House.

The Balance of Payments support treaty that was signed with Haiti last April set
 ce
 rtain
 conditions for each tranche of the money to be released.

Because of the recent change in government (resignation of PM Michel), Haiti
 has no
 t been able
 to achieve all of the conditions specified for the last tranche. By law therefore,
 the money could not be
 released.

Haiti's new government confirmed yesterday. Expect forward progress when it
 gets i
 ts feed

on the ground.

USG has been working closely with President Aristide and his government to encourage and assist their economic transition. Agencies: USAID, Commerce, Treasury, Agriculture

CUBA

Background: Washington Times story on exchanging Helms-Burton veto for political prisoners.

Q: Is there any truth to the Washington Times story that the USG offered to veto the

Helms-Burton bill if Castro would release some of his political prisoners?

A.: Absolutely none. No administration official and no one authorized to speak on behalf of the administration has offered Castro or any representative of the Cuban government any "deal" to veto the Helms-Burton bill.

Whether that bill is signed or not will be decided on the merits of the legislation

The Secretary of State has said that he would recommend that the President veto an earlier version of the bill. But at present, there are differing versions of the bill passed by the House and the Senate, and nothing has emerged from conference.

At this point, therefore, there's nothing before the President to consider.

Original Helms-Burton

ù Encroached on the President's authority to conduct foreign policy by recklessly disregarding broader U.S.

interests and relationships in ways that would be difficult to defend under international law.

- ù Would withhold World Bank and IDB contributions.

- ù Included extraterritorial extension of U.S. law, complicating the USG's ability to settle property and making it impossible for U.S. companies anywhere in the world to have confidence in their property agreements.

NIGERIA: EXECUTIONS CONFIRMED

Background: Nigeria's Provisional Ruling Council executed Ken Saro-Wiwa and eight of his colleagues last Friday for the alleged murder of four Ogoni leaders in 1994. Both the President and the State Department previously issued statements condemning the verdicts and sentences which resulted from a gravely flawed judicial process conducted outside the traditional judicial system and without regard for due process.

The United States has recalled its ambassador for consultations, has issued a direct protest to the Nigerian government, has banned all military sales and maintenance work, and will continue its strict visa restrictions against military members of the Nigerian government. Other measures remain under review.

STATEMENT BY THE PRESS SECRETARY

The United States strongly condemns the execution today of environmental and human rights activists.

rights activist Ken

Saro-Wiwa and eight others accused of murder in May 1994. These executions underscore

re the Abacha regime's

refusal to abide by the most basic international norms and universal standard of human

rights.

The United States extends its sincere condolences to the families of those executed.

Their deaths will be mourned

by friends and supporters around the world.

The United States has consistently deplored the inherent denial of due process afforded

by trials conducted before

special tribunals outside of the traditional judicial system. This latest action follows the Government of Nigeria's

unacceptable transition to democratic governance announced on October 1. We continue

to be deeply troubled

by the lack of respect for human rights, prompt and credible steps taken by the Government

of Nigeria to return

to democracy.

In response to these executions, President Clinton has recalled Ambassador Carrington

from Lagos for

consultations. The White House has been in contact with the Nigerian

Ambassador to

the U.S. Zubair

Mahmud Kazaure, to protest the executions. In addition, the President has banned the

sale and repair of military

goods and services to Nigeria and ordered the extension of visa restrictions to make

all Nigerian military officers

and their families subject to exclusion from the United States. Henceforth, Nigerian

Government officials visiting

the United Nations, the international financial institutions and IMF will be required

to remain within 25 miles of the

institution. Other measures remain under review including oil sanctions.

The United States reiterates its call on the Nigerian leadership to effect a swift and credible transition to a stable,

civilian democracy that respects human rights.

###

POW/MIA

Background: Defense DPMO (Defense POW/MIA Office) has a new work plan that sets new priorities for resolving cases. 567 have been declared "unrecoverable." The Hill is being briefed today. CNN and Washington Times have reported this.

ù This is in no way a legal finding nor is it a final declaration. Most cases remain open.

ù Is an evaluation based on review of and nature of the evidence. Most lost at sea or in way that suggests little or no chance of ever recovering remains.

ù A special panel must review this finding and make a final decision. That panel not yet formed. Refer to DPMO.

ù All USG efforts continue to repatriate remains and resolve discrepancies with the Vietnamese. This includes a trilateral commission with Laos to resolve cases there.

MILITARY LEADERS URGE ACCELERATED 50% INCREASE IN MODERNIZATION

Background: The Washington Post reported on November 11 that the uniformed leaders of the armed forces, worried about aging weapons and equipment, have recommended a 50 percent increase in procurement spending, from \$40 billion at present to \$60 billion by Fiscal Year 1998. Administration plans for the same rise by 2001. The recommendation was included in General Shalikashvili's Chairman Program Assessment, recently submitted

to Secretary Perry. The recommendation makes clear the military chiefs do not expect the added funds for modernization to come from higher overall defense spending but rather through cuts in some programs under development and other savings. Nor are the Chiefs suggesting reversing the priority given last year to readiness over procurement. The biggest adjustments proposed by the Chairman would involve cutting back on competing service programs.

Points

- ù The President has pledged to maintain the best-equipped, best-trained, and best-prepared fighting force in the world.

- ù Post Cold War drawdown permitted us to retain the newest equipment from the large recapitalization and procurement period of the 1980s while retiring older, less useful systems.

- ù With drawdown nearly complete, modernization programs now receiving special attention in FY97-01 program review. In future years, recapitalization is a priority as many weapon systems approach block obsolescence. That's why last December, President increased defense spending plan by \$25 billion.

- ù Agree with Defense Department's goal for an accelerated increase in planned procurement spending by achieving efficiencies and funding reductions in programs of lower priority from a warfighting perspective.

- ù (IF ASKED: "Is the military asking for an increase in the Defense Department's top priority?")

- ù No, General Shalikashvili's recommendation makes clear the military chiefs do not expect added funds for modernization to come from higher overall defense spending but rather

through cuts in some programs under development and other savings.)

START SPACE LAUNCH VEHICLES

Q: Has the United States agreed to "relax" START Treaty constraints to allow the export of ICBMs and SLBMs from Russia and Ukraine as space launch vehicles, as reported on November 10 by the Washington Times?

A: No, the story is not correct and in fact has it backwards.

Rather than making a "concession" on START or "relaxing" the Treaty, the U.S. secured an important success by persuading Russia to reaffirm and uphold the manner in which the Treaty as originally negotiated applies to space launch vehicles.

Specifically, the United States, along with Russia, Ukraine, Belarus and Kazakhstan, recently reaffirmed that space launch vehicles that use the first stage of a START Treaty-limited ICBM or SLBM are subject to all relevant Treaty provisions -- including the ban on transferring such missiles to other countries.

The START Treaty does not prohibit a Treaty party from establishing a space launch facility outside its national territory. However, the Treaty party must maintain ownership and control of both the Treaty-limited missiles and launchers at all times, and cannot sell them to another party.

[If asked about the "U.S. Government White Paper" that is extensively quoted in the article]

We are not aware of the "white paper" that is referred to in the article.

EXPERIMENTS AT THE NEVADA TEST SITE

Q: Secretary O'Leary announced on October 27 that she was directing the conduct of "subcritical" high-explosive experiments with nuclear materials at the Nevada Test Site (NTS). Doesn't this undermine the President's commitment to a "zero yield" Comprehensive Test Ban Treaty (CTBT)?

A: The Secretary's decision to approve the conduct of subcritical experiments at the NTS is completely consistent with the President's "zero yield" decision announced in August.

The purpose of these experiments is to help ensure the safety and reliability of the U.S. nuclear arsenal in the absence of nuclear testing. They have been specifically designed NOT to reach nuclear criticality, that is, there will be no nuclear chain reaction and therefore no nuclear explosion.

[If asked: Why are you conducting these experiments underground at the NTS?]

Nevada has unique facilities and capabilities for supporting subcritical experiments.

Conducting these experiments at the NTS will also help maintain the basic capability to resume nuclear test activities, which is one of the CTBT safeguards announced by the President on August 11.

RUSSIAN CHEMICAL WEAPONS PROLIFERATION INVESTIGATION

Background: There have been press reports in recent days that Russian authorities are investigating the possibility that a former Russian General, Anatoli Kuntsevich, illegally provided chemical weapons materials to buyers in the Middle East. In a letter to the President this week, Senator Helms seized on the issue as a (new) justification for continuing to hold the Chemical Weapons Convention hostage.

Q: Do you have any further information on press reports that Russia is investigating the possible smuggling of chemical weapons materials by former General Kuntsevich?

A: We too have seen press reports about the investigation.

They indicate that Russian authorities are conducting a criminal investigation of the matter. Accordingly, it might be more appropriate to direct inquiries to the Russian Government on this.

Q: Is the U.S. assisting the investigation?

A: The smuggling of materials for weapons of mass destruction, whether nuclear, chemical or biological, is of vital concern to the U.S.

Press reports indicate that Russian law enforcement authorities are investigating the matter. If there is anything we can do to be of assistance, we obviously would be prepared to consider it.

Q: Is it true that the chemical materials were smuggled to the Middle East?

A: The Russian Government has this matter under investigation.

We do not know what the outcome of that investigation will be.

Q: Is it true that Senator Helms is holding the Chemical Weapons Convention hostage over this issue?

A: Senator Helms has expressed concern over this issue.

We share those concerns.

That said, rather than being an argument against the CWC, this underscores why it is so important for the U.S. to ratify it quickly.

Q: How does the CWC help deal with problems such as this?

A: The CWC imposes a legally-binding prohibition on assisting others to acquire chemical weapons.

In addition, it requires Parties to monitor and report on transfers of the chemicals that can be used to make chemical weapons.

It also prohibits Parties from transferring to non-Parties key chemical weapons precursors.

The treaty also requires that Parties enact domestic legislation imposing real penalties on those who violate these or any other treaty obligations.

Perhaps most importantly, the treaty's routine and challenge inspection provisions will provide access to information that could reveal or even confirm a potential transfer problem.

In sum, if the CWC were in force today in Russia and other countries, it would be both more difficult and more costly for proliferators to carry out the activities for which Kuntsevich reportedly is being investigated.

As the President has done on repeated occasions, we urge the Senate to move forward with ratification of this vital treaty.

CHEMICAL WEAPONS

Background: Today's Washington Post reports that SFRC Chairman Jesse Helms has concerns about the Chemical Weapons Convention and is prepared to block its ratification "indefinitely."

The story notes that enthusiasm for the treaty is waning in other countries because of the U.S. failure to ratify and states that if the treaty falls by the wayside, it would represent a triumph of one determined legislator over a decade-long bipartisan consensus in support of the treaty.

Q: Do you have any comments on the story in today's Washington Post about ratification of the Chemical Weapons Convention?

A: Chemical weapons proliferation poses a serious danger to U.S. national security and that of our friends and allies. The Chemical Weapons Convention will make it harder and more costly for proliferators and terrorists alike to acquire chemical weapons by outlawing the development, production, stockpiling and use.

Q: Aides to Senator Helms say that Senator is prepared to block ratification "indefinitely". What is your view of this?

A: The CWC has enjoyed and continues to enjoy strong bipartisan support in the U.S.

It was negotiated under President Reagan, concluded and signed under President Bush, and submitted to the Senate by President Clinton.

In recent weeks, Senators Lugar, Nunn, Kassebaum, Glenn, Biden, Levin and others have pressed the case for CWC ratification. They have been joined by an impressive group

of former
Administration officials, including Brent Scowcroft, Larry Eagleburger and Ron
Lehman.
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The strong support for the CWC on the part of these and other top officials
underscores a
simple fact: the CWC is in our national security interests, and we need it now.

Q: What will happen to the CWC if the U.S. does not ratify?

A: To date, 159 countries have signed the CWC and 42 have ratified it. However,
many other
countries are waiting and watching to see if the U.S. will ratify before completing
their own ratification
efforts. U.S. leadership is critical to reaching the threshold of 65 ratifications
necessary to bring the
CWC into force.

Q: Why hasn't the Senate ratified yet?

A: Since November 1993, when the CWC was submitted to the Senate, nine
hearings have
been
held on the treaty, the last of which was in August 1994.

In September 1995, the Senate adopted a "Sense of the Senate" amendment
calling for
prompt
ratification of CWC (and START II).

As far as obstacles to Senate action are concerned, we would simply note that the
full Senate
ought to be given the opportunity to carry out its Constitutional responsibility to
provide its advice and
consent to ratification.

The CWC should be debated on its merits, fully and openly by the entire Senate.
We
should not
allow this vital agreement to slip away simply by default -- because the full
Senate
was denied the
opportunity to debate the Convention fully and openly.

We are confident that, if given the chance, the Senate will come to the same

conclu
sion as the
Reagan, Bush and Clinton Administrations -- that the CWC is in our national
security
interests and should
be ratified promptly.